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FBIS-EAS-90-186 CONTENTS *25 September 1990*

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INTERNATIONAL AFFAIRS

G-7 Opens Talks on Gulf Crisis, Debt Strategy *[KYODO]* 1
Hashimoto Speaks on Yen at News Conference *[KYODO]* 1
G-11 Countries Agree on Gulf Countermeasures *[KYODO]* 2
Foreign Ministers Meet at UN on Gulf Situation *[KYODO]* 3
Nakayama-'Aziz Talks 'Likely To Be Canceled' *[KYODO]* 4
Japanese Official Reports on IMF Meeting *[KYODO]* 4
Finance Minister, BOJ's Mieno on Yen Advance *[KYODO]* 5
Samaranch Wants Participation of Baltic Athletes *[KYODO]* 5

NORTHEAST ASIA

Japan

Justice Minister Retracts Remarks on Blacks *[KYODO]* 6
    Explains Intentions *[KYODO]* 6
Cabinet Approves Kaifu U.S., Mideast Visits *[KYODO]* 7
Industrial Bank To Set Up Firm in New York *[KYODO]* 7
NHK Plans Economic Program in U.S., Europe *[KYODO]* 7
Pyongyang Seeks Apology, Reparations for Rule *[KYODO]* 7
ROK Envoy Welcomes Kanemaru Visit to DPRK *[KYODO]* 8
Talks Held With ROK Foreign Ministry Officials *[KYODO]* 8
Soviet Deputy Premier Abalkin Postpones Visit *[KYODO]* 8
Dentsu Plans To Open Moscow Office in Jan *[KYODO]* 8
Chernobyl Victim To Have Checkup in Hiroshima *[KYODO]* 9
Takeshita Leaves for PRC, Hopes To Meet Deng *[Tokyo TV]* 9
Hitachi To Provide PRC With Video Technology *[KYODO]* 9
KDD Plans Video Conference Service With UK *[KYODO]* 9
Kaifu, Portuguese Premier on Iraq, East Timor *[KYODO]* 10
Coverage Continues on Response to Gulf Situation 10
    Forces 'Might Be Armed' *[KYODO]* 10
    Asian Concern Noted *[KYODO]* 10
    JSP Opposes SDF Dispatch *[KYODO]* 11
    Opposition on Contributions *[Tokyo TV]* 11
    Vehicles for 'General Purposes' *[KYODO]* 11
    U.S. Aircraft Chartered *[KYODO]* 11
    Freighter Leaves for U.S. *[KYODO]* 12
    Saddam Blamed for Price Hikes *[KYODO]* 12
    Ethylene Price Rise Planned *[KYODO]* 12
Iraq Exclusion From Enthronement 'Likely' *[KYODO]* 13
Suit Against Funding of Enthronement Ceremony *[KYODO]* 13
Mandatory Retirement Age for Generals Extended *[KYODO]* 13
Mutsu To Try Full Nuclear Reactor Capacity *[KYODO]* 13
Finance Ministry Publishes Budget Requests *[KYODO]* 14
BOJ Reports Economic Expansion Continues *[KYODO]* 14
Ministries Seek 1.5 Trillion Yen for ODA *[KYODO]* 14
Firms Keep 'Tight Rein' on Dividend Payments *[KYODO]* 14
Higher Growth of Firms' Earnings Predicted *[KYODO]* 15
IBM, Hitachi To Share Computer Programs *[KYODO]* 15
Nippon To Market IBM-Compatible Computer *[KYODO]* 15

Tributyltin Production, Import Restricted *[KYODO]* 16
Nissan, Toyota Seeking Closer Cooperation *[KYODO]* 16

Mongolia

Australian Delegation Meets Party Leaders *[Ulaanbaatar International]* 16
Byambasuren Interviewed on Forming Government *[Ulaanbaatar International]* 16
Expectations of Deputies Noted in Paper's Poll *[East Berlin ADN]* 17

North Korea

Reportage Covering Japanese Delegation Visit 17
  Official Meets JSP Group *[KCNA]* 17
  WPK Holds Reception *[KCNA]* 17
  Kanemaru Conveys Apology *[KYODO]* 18
  More on Kanemaru's Remarks *[Tokyo TV]* 19
  Kim Yong-sun Speaks at Party *[KCNA]* 19
  Tanabe Speaks at Reception *[KCNA]* 20
  Japanese Delegates Named *[KCNA]* 20
  LDP, JSP Host Gathering *[KCNA]* 21
  Groups Begin Talks With WPK *[KYODO]* 21
  Talks Proceed in Good Atmosphere *[KCNA]* 22
Film Depicts Struggle Against Japan's 'Tyranny' *[KCNA]* 22
Daily Cites Principles for North-South Talks *[KCNA]* 22
Soviet Official Comments on DPRK Proposals *[Pyongyang Radio]* 23
U.S. Avoidance of 'Tripartite Talks' Denounced *[KCNA]* 23
Students To Send Delegates to Panmunjom 25 Sep *[Pyongyang Radio]* 23
Koreans in Japan Hold Activists' Meeting *[KCNA]* 24
Vietnamese Delegation Arrives for Meeting *[KCNA]* 24
Importance of Unified, Detailed Planning Stressed *[KCNA]* 25
'Great' Economic Achievements Recorded *[KCNA]* 25
Production, Construction Rises in North Hamgyong *[KCNA]* 26
Signed Article Extols WPK's Ties With Masses *[KCNA]* 26

South Korea

Foreign Minister To Meet Soviet Counterpart *[YONHAP]* 27
  May Agree on Diplomatic Ties *[YONHAP]* 27
  Impact on N-S Relations Viewed *[SEOUL SINMUN 23 Sep]* 28
No Tae-u Seeking Official Invitation to USSR *[YONHAP]* 29
  No To Visit Moscow in November *[THE KOREA TIMES 22 Sep]* 29
Appointment of First Soviet Ambassador Announced *[CHUNGANG ILBO 25 Sep]* 29
Developments in DPRK-Soviet Relations Analyzed *[CHUNGANG ILBO 20 Sep]* 30
Government Discusses Plans for Pyongyang Talks *[CHUNGANG ILBO 21 Sep]* 30
Unification Board Evaluates North's Economy *[YONHAP]* 31
Choe Addresses Military Balance, UN Membership *[SEOUL SINMUN 23 Sep]* 31
N-S Student Contact Prevented at Panmunjom *[YONHAP]* 31
North Korean at Asiad Stresses Reconciliation *[TONG-A ILBO 21 Sep]* 31
DPRK Cement To Be Bought Via Third Country *[YONHAP]* 32
No Tae-u Interviewed on Foreign, Domestic Issues *[CHUNGANG ILBO 22 Sep]* 32
Government To Announce Share of Gulf Expenses *[CHUNGANG ILBO 23 Sep]* 36
  Students Protest U.S. Request *[Seoul Radio]* 36
Sports Minister Proposes Exchanges With China *[YONHAP]* 36
Pending Trade Office Exchange With PRC Denied *[YONHAP]* 36
Assemblyman Reportedly Meets Premier Li Peng *[Seoul TV]* 36
Information Minister Departs for Asian Meeting *[YONHAP]* 37
Vietnamese Economic Delegation Arrives in Seoul *[YONHAP]* 37
Seoul 'Unlikely' To Meet 1990 Export Goals *[YONHAP]* 37
$306 Million Trade Deficit Recorded in Aug *[THE KOREA TIMES 23 Sep]* 38
Government Plans To Increase Meat Exports *[THE KOREA HERALD 21 Sep]* 38
3,000 Tons of Oranges To Be Exported to Canada *[THE KOREA HERALD 23 Sep]* 38

Electronics Exports Predicted To Fall Short *[YONHAP]* 39
No Tae-u Receives Mitterrand's 'Special Envoy' *[YONHAP]* 39
Bilateral Shipping Pact With Britain Initialed *[THE KOREA TIMES 23 Sep]* 39
Poll Indicates Mistrust in Politics Increasing *[CHUNGANG ILBO 20 Sep]* 39
Ruling Party Considers Local Elections in 1991 *[YONHAP]* 40
Research Institute Stresses Rice Production *[THE KOREA TIMES 23 Sep]* 40

SOUTHEAST ASIA

Burma

UN, Thai Groups Arrive To Study Drug Control *[Rangoon Radio]* 42
3 Arrested for Printing 'Agitation Pamphlets' *[Rangoon Radio]* 42
NLD Member Arrested for 'Illegal Publications' *[Rangoon Radio]* 42

Brunei, Malaysia & Singapore

Malaysia

Asset Seizure Agreement With U.S. Discussed *[BERNAMA]* 43
Singapore Helicopter Intrusion Probe Completed *[Singapore THE STRAITS TIMES 19 Sep]* 43
Minister Says Foreign Investments Encouraged *[Kuala Lumpur International]* 43

Cambodia

Resistance Statement Supports UNSC Resolution *[Radio VONADK]* 44
Sihanouk Considering Attending Talks in Bangkok *[Radio VOK]* 44
Party Journal on 'Failure' of First SNC Talks *[SPK]* 45
SRV Confers Gold Star Medal on Say Phuthang *[Phnom Penh Radio]* 45
Chea Sim Receives Relief Organization Official *[SPK]* 46
Bou Thang, Officers Attend Religious Festival *[Phnom Penh Radio]* 46
Meeting on Rice Growth in Rainy Season Ends *[Phnom Penh Radio]* 46
Rice Distributed to Refugees in Banteay Meanchey *[Phnom Penh Radio]* 46

Laos

Minister Attends Nonaligned Meeting in Cuba *[Vientiane Radio]* 46
Leaders Receive Messages of Thanks From SRV *[Vientiane Radio]* 47
PASASON Views Failure of SNC Meeting *[Vientiane Radio]* 47

Philippines

Reportage on U.S. Bases Issue Continues 47
    Official Bases 'Primer', Part 1 *[PHILIPPINE DAILY INQUIRER 18 Sep]* 47
    Bases 'Primer', Part 2 *[PHILIPPINE DAILY INQUIRER 19 Sep]* 49
    Bases 'Primer', Part 3 *[PHILIPPINE DAILY INQUIRER 20 Sep]* 51
    Aquino Affirms Position on Clark *[THE MANILA CHRONICLE 24 Sep]* 51
    Talks To Cover Subic 'Phasedown' *[Quezon City Radio]* 52
    Disposal of 'Minor' Bases Viewed *[THE MANILA CHRONICLE 24 Sep]* 52
    Ramos Favors 1998 Bases Closure *[Manila Radio]* 53
    Ramos: Clark Base 'First To Go' *[AFP]* 53
    Manglapus, Baker To Discuss Bases *[AFP]* 54
    CPP Chairman on Bases Retention *[Manila Radio]* 54
Aquino Not To Cancel Nov Visit to Japan *[Manila Radio]* 54
Aquino Addresses Pampanga Peace Rally 25 Sep *[Quezon City Radio]* 55
Aquino Orders Antibombing Security Measures *[Quezon City Radio]* 56
Capcom Chief Orders Tighter Hotel Security *[Manila Radio]* 56
De Villa Says Military Ready for Protests *[Manila Radio]* 56
Davao Protest by Transport Groups 'Succeeding' *[Manila Radio]* 57
Human Rights Groups Urge Talks Without Truce *[THE MANILA CHRONICLE 24 Sep]* 57
De Villa Warns Soldiers About RAM Tactics *[MANILA BULLETIN 24 Sep]* 57

Laurel Calls for Halt to Drive Against Noble *[MANILA BULLETIN 24 Sep]* 58
Justice Secretary Interviewed on Peace Talks *[Manila Radio]* 58
Tanada Disappointed With NPA's Decision *[Quezon City Radio]* 59
Intelligence Analyst Sees NPA Behind Bombings *[Manila Radio]* 60
Laurel Seeks Cut in Proposed 1991 Budget *[Manila Radio]* 60

Thailand

Vietnamese Envoy Discusses SNC Meeting *[BANGKOK POST 25 Sep]* 60
Editorial on Sihanouk Move, Chance for Peace *[THE NATION 23 Sep]* 61
Article Urges Neutrality on Cambodian Issue *[KHAO PHISET 17-23 Sep]* 62
Editorial Urges End to Cambodia Mediation Role *[SIAM RAT 21 Sep]* 63
Army Chief Deplores Insufficient Funding *[BANGKOK POST 20 Sep]* 64
Former Military Chief Names Advisory Board *[BANGKOK POST 23 Sep]* 64
'Maximum Security' in South for King's Visit *[THE NATION 22 Sep]* 65
Unionists Launch Offensive Against Government *[THE NATION 21 Sep]* 65
Dailies on Effects of Chaloem-Banhan Dispute *[MATICHON, etc]* 66
Editorial on Political Issues Facing Government *[MATICHON 22 Sep]* 66
Economic Ministers Council Approves Tariff Cuts *[THE NATION 18 Sep]* 67
BOI Continues Promoting Projects Despite Cuts *[THE NATION 19 Sep]* 68
Cabinet Appoints New Bank Governor 18 Sep *[THE NATION 19 Sep]* 68

Vietnam

Vo Nguyen Giap Feted by PRC's Gu Mu 19 Sep *[Hanoi International]* 69
    Meets Li Peng in Beijing *[Hanoi Radio]* 69
Head of Sports Delegation Interviewed on Asiad *[Hanoi International]* 69
Contraband Trafficking on PRC Border Flourishes *[AFP]* 69
Do Muoi Congratulates Bulgaria's Andrei Lukanov *[VNA]* 70
New Soviet Ambassador to Hanoi Appointed *[Hanoi International]* 70
Assistance From FRG Organization Continues *[VNA]* 70
Iraqi Friendship Delegation Visits 18-20 Sep *[VNA]* 70
Article on Attracting Foreign Investments *[Hanoi Radio]* 71
International Red Cross Head Arrives 18 Sep *[Hanoi International]* 72
    Meets Du Muoi *[VNA]* 72
11 on Trial for 'Counterrevolutionary' Acts *[SAIGON GIAI PHONG 16 Aug]* 72
Government Postpones Treason Trial 'Indefinitely' *[AFP]* 72
First SNC Session 'Failed' To Achieve Results *[Hanoi International]* 73
Gold Star Order Awarded to Cambodian Official *[VNA]* 73
Nguyen Thanh Binh Visits Thanh Hoa 14-16 Sep *[Hanoi Radio]* 73
Vo Van Kiet Chairs Meeting on Cigarette Issue *[Hanoi Radio]* 73
Tay Ninh Province Works To Stop Smuggling *[Hanoi Radio]* 74
Policy on Ban of Imported Goods Explained *[Hanoi International]* 74
More on Typhoon's Devastation; Du Muoi Message *[VNA]* 75
Council Chairman Issues Directive on Land Law *[Hanoi Radio]* 75
Settled Life, Farming Program Under Review *[Hanoi Radio]* 76

G-7 Opens Talks on Gulf Crisis, Debt Strategy

OW2209165590 Tokyo KYODO in English 1441 GMT 22 Sep 90

[Text] Washington, Sept. 22 KYODO—Financial leaders of the Group of Seven (G-7) industrialized nations on Saturday opened a meeting designed to help minimize the damage to the global economy from the Persian Gulf crisis.

Finance ministers and central bank governors of the United States, Japan, West Germany, Britain, France, Italy, and Canada gathered at Blair House, a government guest house just across the street from the White House. They brushed off reporters' questions as they entered the premise in light rain.

Japanese, U.S., and other officials said the daylong meeting will try to coordinate their strategies for assisting Egypt, Turkey, Jordan, and other countries affected by the Iraqi invasion of Kuwait and its aftermath. For the U.S., the key theme of the G-7 and upcoming meetings of the World Bank and the International Monetary Fund is to ensure "support for the U.S. leadership in the world economy," as Treasury Undersecretary David Mulford put it.

Finance Minister Ryutaro Hashimoto came away from a Friday meeting with Treasury Secretary Nicholas Brady with the impression that Japan and the U.S. are in general agreement on financially backing Egypt, Turkey, and Jordan whose economies are seriously affected by the United Nations sanctions on Iraq. But the Philippines and other countries are pressing for fresh financial aid from Japan and other countries, citing higher oil prices.

Japanese officials traveling with Hashimoto said Japan will not meet their requests for economic aid unless they put their own fiscal house in order.

G-7 officials said that rising interest rates in Japan and Europe will be another major topic for discussion, although British and French officials have asserted they would not change their monetary policies.

Hashimoto Speaks on Yen at News Conference

OW2309024590 Tokyo KYODO in English 0101 GMT 23 Sep 90

[By Shiro Yoneyama]

[Text] Washington, Sept. 22 KYODO—The world's seven largest industrial democracies agreed Saturday to challenge the Gulf crisis-induced risks of inflation and lower economic growth with different but "stability-oriented" monetary policies and sound fiscal policies. But the finance ministers and central bank governors of the United States, Japan, West Germany, Britain, France, Italy, and Canada agreed in their lengthy meeting to cooperate closely on exchange markets "in the context of the economic policy coordination process."

Japanese Finance Minister Ryutaro Hashimoto said at a news conference that Japan can accommodate an orderly rise in the value of the yen to help correct its external imbalances with the United States. "We would accept the further strengthening of the Japanese yen against the U.S. dollar or European currencies to the extent that such appreciation is orderly and steady," he told reporters. Hashimoto was quick to emphasize that the Group of Seven (G-7) industrialized economies agreed to avert a nosedive in the value of the U.S. dollar. But the G-7 nations failed to come up with any concerted strategy for aiding "the front-line" Gulf states of Egypt, Turkey, and Jordan. These states have been severely affected by the Iraqi invasion of Kuwait and the international sanctions on Iraq, one of the world's largest oil producers.

A statement announced at the end of the meeting simply said that the finance ministers and central bank governors "welcomed the international efforts underway to provide immediate and medium-term economic assistance" to the front-line states. It called on the International Monetary Fund (IMF) and the World Bank to adopt "appropriate measures" but fell short of specifying what those measures might be.

Japanese and other G-7 officials said they endorsed a French proposal to conduct a study on soaring oil prices and their effects on the global economy.

The G-7 financial leaders failed to discuss in detail potential economic aid to the Soviet Union. Hashimoto said a preliminary international study on the Soviet economy has concluded that "the economic situation is bad." Hashimoto told the news conference that G-7 member countries from Western Europe are now "flexible" on a resumption of international lending to China, in contrast to their reservations at the Houston economic summit in July.

The statement issued after more than seven hours of talks at the Blair House, a U.S. Government guest house near the White House, the G-7 leaders assessed the state of their economies and the world. They noted in the statement that the rise in the price of oil caused by the Gulf crisis poses two risks—inflation and lower economic growth. "The ministers and governors consider that stability-oriented monetary policies and sound fiscal policies constitute the correct policy response," the statement said. "Such a response should help guard against the underlying inflation rate being affected by higher oil prices and thus reduce the risks of lower economic growth," the statement added.

Asked if Japan is considering any change in monetary policy, a senior Japanese official said, "I don't see any need for a change."

Fearful of recession, the U.S. Government appears inclined to ease its monetary policy. But the Federal Reserve Board is said to be extremely concerned about a plunge in the value of the dollar such a policy change might bring about.

Asked at the news conference whether inflation or lower economic growth gets higher priority, Hashimoto replied, "We should watch both risks carefully."

U.S. Treasury Secretary Nicholas Brady said at a separate news conference that "stable monetary policy does not mean inflation is more of a concern than slowed growth." "Neither one is a greater threat," he stressed. "A stable policy means we have to steer, navigate between those two risks."

Commenting on the mention of the need for a "prompt and successful" conclusion of U.S. budget talks in the statement, Brady said other G-7 nations "are strong in their advice to us about it." He said he told his counterparts from Japan, Western Europe, and Canada that U.S. President George Bush is seeking a "believable and enforceable" budget agreement. Pressed further on the feasibility of a budget agreement, he said, "I'm still optimistic, but I am a tired optimist."

The G-7 statement urged Japan and West Germany, which have large external surpluses, to continue "sustained noninflationary growth of domestic demand," while calling on all the G-7 nations to carry out structural reforms to make their economies more efficient.

On economic aid to the front-line states such as Egypt hit by the Gulf crisis, the United States mentioned its decision to waive payment for 7 billion dollars in military sales to Egypt.

But Treasury Undersecretary David Mulford, who briefed the U.S. plan at the G-7 meeting, did not ask Japan or other countries to follow the U.S. lead, a conference source said.

Hashimoto told Brady on Friday that Japan supports the provision of "new money" to debtor countries instead of forgiving their debts.

The G-7 statement welcomed progress in talks on Venezuela's debt reduction and expressed the hope that Brazil would settle its arrears problems with overseas creditors by adopting an arrangement prepared by the International Monetary Fund (IMF). Specifically, the G-7 statement urged the IMF to review the compensatory and contingency financing facility (CCFF), a program to aid developing countries with international balance of payments difficulties caused by unexpected events such as the latest Gulf crisis.

Hashimoto said at the news conference that the G-7 countries agreed to solicit the participation of their central banks in international trade talks on services involving financial institutions.

The G-7 statement underscored its determination to resist protectionism and "stressed the urgency of arriving at a successful conclusion of the Uruguay Round in 1990 to promote an open and growing world economy."

G-11 Countries Agree on Gulf Countermeasures

OW2309180590 Tokyo KYODO in English 1642 GMT 23 Sep 90

[Text] Washington, Sept. 23 KYODO—Finance ministers and central bank governors of the world's 11 major industrial countries reaffirmed the need Sunday to pursue stability-oriented monetary policies and sound fiscal policies to avert the twin risks of inflation and slower economic growth expected from the Persian Gulf crisis.

In a communique released after their one-hour meeting, the so-called Group of 11 industrial nations said they agreed "that stability-oriented monetary policies and sound fiscal policies constitute the correct policy response to address the twin risks of inflation and lower economic growth."

The view reaffirmed an agreement expressed in a statement issued by the Group of Seven (G-7) on Saturday.

The G-11 groups the G-7 nations—the United States, Japan, West Germany, Britain, France, Italy, and Canada—plus the Netherlands, Belgium, Sweden, and Switzerland.

The statement said that despite the oil price spiral following Iraq's invasion of Kuwait and its aftermath, the world economy is expected to continue to expand, though at a moderate tempo, with growth sustained at a vigorous pace in some countries and external imbalances likely to improve further.

To promote sustained growth, lower inflation, reduced external imbalances, and the stability of exchange markets, the G-11 ministers and governors expressed their intention of "maintaining the close coordination of macroeconomic and structural policies," the communique said.

The G-11, which met early Sunday prior to the meeting of the policy-making interim committee of the International Monetary Fund (IMF), also urged the IMF and the World Bank to take appropriate measures to respond "flexibly and in a timely manner" to alleviate the plight of countries damaged by the Gulf turmoil, while calling on such affected countries to strengthen their adjustment efforts to provide the necessary basis for international support.

Touching on the ongoing Uruguay round of global trade liberalization talks, the communique said the G-10 attach "the utmost importance to a successful conclusion of the current round of multilateral trade negotiations by the end of this year."

The G-10 monetary authorities also said they welcome the unification of the two Germanys and the transformation of East Germany into a market economy, which they see as beneficial to an improved performance of the global economy. They also voiced support for far-reaching economic reforms now under way in other central and East European countries.

On the debt situation in developing countries, the ministers and governors underscored the necessity to pursue market-oriented reforms in the debtor countries to encourage domestic savings, increased foreign direct investment, and a return of flight capital.

While hailing efforts made by creditor nations to ease the debt burden of lower-middle-income countries, they also called on the Paris Club, an international consortium of creditor countries, to consider the recent proposals presented by Britain and the Netherlands to enlarge the scope of official debt relief.

The G-10 members also welcomed the application by Switzerland for membership in the IMF and the World Bank.

The communique also said Philippe Maystadt, finance minister of Belgium, was elected chairman of the G-10 for the coming year, replacing Theo Waigel, finance minister of West Germany.

Foreign Ministers Meet at UN on Gulf Situation

OW2509024890 Tokyo KYODO in English 0150 GMT 25 Sep 90

[Text] New York, Sept. 24 KYODO—Japan's Foreign Minister Taro Nakayama and his Israeli counterpart David Levi on Monday condemned Iraq's invasion of Kuwait, and agreed to support continued international sanctions against Baghdad, Japanese officials said. In 30 minutes of talks at the United Nations headquarters here, Levi said the Iraqi move reflected a strategy to expand its power and territory by controlling the world's major energy source, oil, according to the Japanese officials.

Iraq invaded neighboring oil-rich Kuwait on August 2 and subsequently announced its annexation.

Levi urged the world to "act seriously against the threat," the Japanese officials said.

Nakayama stressed that Japan is now making a serious commitment to resolving the Persian Gulf crisis by extending financial and material support to the U.S.-led multinational forces in Saudi Arabia and by sending medical personnel to the Gulf region to aid refugees. He also announced that Japan might further strengthen sanctions against Iraq in line with U.N. resolutions, the officials said. Nakayama rapped Iraq's invasion of Kuwait and its taking Japanese and other foreign civilians as hostages.

Earlier in the day, Nakayama met with Pakistani Foreign Minister Sahabzada Yaqub Khan, who expressed concern that the Gulf crisis has done harm to the economies of the developing nations. Nakayama replied with a pledge that Japan will consider ways of helping to soften the damage done to the developing countries, the Japanese officials said.

In the 30-minute talks at the U.N. Headquarters, Yaqub Khan pointed out the importance of Iran's role in bringing stability in the Gulf region, and said Pakistan is ready to work diplomatically with Iran or Turkey to try to achieve this end, according to the officials.

Nakayama on Monday kicked off a series of meetings with foreign ministers gathered here for the convening of the U.N. General Assembly.

Iranian Foreign Minister Ali Akbar Velayati told Nakayama during their meeting that his government demands that Iraq withdraw from Kuwait and restore the legitimate government in line with a series of U.N. resolutions. He dismissed reports that Iran is secretly giving food and other supplies to Iraq to weaken U.N. sanctions, and said Tehran criticized Baghdad within 24 hours of the invasion.

Velayati said Iran does not want any geopolitical changes in the region, referring to possible hegemony by Iraq. He said the establishment of regional security is the duty of the nations in the area, and it was primarily those nations that should resolve the Gulf crisis.

He welcomed Nakayama's offer of further Japanese economic aid to help Iran's reconstruction following its eight-year war with Iraq, and said Iran would like to hold negotiations on specific projects.

Noting that ties between Iran and Western nations are improving, he said relations with the United States would improve if Washington unfroze Iranian assets.

In another meeting, British Foreign Secretary Douglas Hurd expressed appreciation to Nakayama for the additional 1 billion dollars pledged by Japan toward the cost of keeping a multinational force in Saudi Arabia. Hurd stressed the need to peacefully increase pressure on Baghdad, saying it will take time for the economic sanctions to have a substantial effect.

Nakayama and Hurd agreed on the need to help Eastern Europe and developing nations in Asia deal with the effects of the Gulf crisis. They also agreed that Japan and Britain cannot provide large-scale financial support for the Soviet Union's perestroyka reforms.

Nakayama and Dutch Foreign Minister Hans van den Broek agreed that the Iraqi invasion of Kuwait should not be linked with other regional problems like the Palestinian question. Nakayama also called on Maltese Deputy Prime Minister Guido de Marco, who will serve as chairman of the General Assembly.

Nakayama-'Aziz Talks 'Likely To Be Canceled'

OW2509044390 Tokyo KYODO in English 0321 GMT 25 Sep 90

[Text] New York, Sept. 24 KYODO—A meeting between Japanese Foreign Minister Taro Nakayama and his Iraqi counterpart Tariq 'Aziz on Tuesday at the United Nations is likely to be canceled as the United States is refusing to allow 'Aziz into the country, Japanese officials said Monday.

The officials accompanying Nakayama announced that the Iraqi representative office in the U.N. Headquarters has told them Tuesday's scheduled talks cannot be held as 'Aziz's special flight cannot land at New York the same day. It was not known if the meeting would be held later if 'Aziz should be allowed to enter the U.S.

The Japanese side regarded the talks as an opportunity to directly push for Iraq's withdrawal from Kuwait which it invaded in August, and demand the release of Japanese and other foreign civilians Iraq took hostage.

Japanese Official Reports on IMF Meeting

OW2409042890 Tokyo KYODO in English 0323 GMT 24 Sep 90

[By Shiro Yoneyama]

[Text] Washington, Sept. 23 KYODO—World financial leaders agreed Sunday to work toward a "more realistic" Third World debt strategy by expanding and strengthening a scheme devised by U.S. Treasury Secretary Nicholas Brady, a high-ranking Japanese official said. The agreement emerged during the opening session of a two-day meeting in Washington of the policy-making interim committee of the International Monetary Fund (IMF), a 152-nation lending institution.

The Japanese official, speaking on condition of anonymity, said, "both industrialized countries and developing countries felt that Third World debt strategy should be more realistic to meet the needs of debtor countries." He said these countries also welcomed the good though limited results of the Brady plan so far.

Meanwhile, Finance Minister Ryutaro Hashimoto, reiterating Japan's opposition to official debt forgiveness, called Sunday for a step-by-step approach to the Third World debt crisis aggravated by higher oil prices stemming from the Persian Gulf crisis. He told the semiannual meeting of the IMF committee that debtor countries should implement economic structural adjustments if they seek international financial support. "The debt problems of developing countries vary, and we should implement debt strategy on a case-by-case basis," Hashimoto told the meeting.

John Major, Britain's chancellor of the exchequer, agreed with the Japanese approach, and said failure to privatize industry and take other structural reform measures would cause a repeat of the Third World debt crisis.

IMF Managing Director Michel Camdessus suggested during the interim committee meeting that debtor countries introduce "positive incentives" to overcome their debt problems and make their economies attractive to foreign investors. "The debtor countries should proceed with the liberalization of their economies," the senior Japanese official quoted Camdessus as telling the meeting, which opened Sunday morning and was to end Tuesday morning. Camdessus specifically mentioned technology transfers, a high rate of domestic savings, and foreign investment as among the key ingredients of an open economy.

But Zelia Maria Cardoso de Mallo, Brazil's minister of economy, finance and planning, expressed frustrations with the time-consuming process of debt reduction talks with official and private creditors. "Deeper debt and debt-service reductions must be the outcome of more rapid negotiations with commercial banks," she said in explaining her country's debt crisis. "Official creditors should be more flexible in their approach toward debt renegotiation."

Cardoso expressed anxieties over the damaging effects of the Persian Gulf crisis on Brazil's economic structural adjustment and stabilization efforts. "We are worried about a possible rise in interest rates," the Japanese official quoted her as telling the meeting's afternoon session.

Earlier in the day, Hashimoto underlined the need for close economic policy coordination, saying it is important to "keep market confidence intact." He indicated that Japan is prepared to look into the feasibility of a more stable monetary system with the U.S. and Western Europe based on the yen, the dollar, and European Community (EC) currencies. "It is imperative that we cooperate closely to ensure sound management of the world economy so as to respond to the effects of higher oil prices on the world economy," he told the audience at the IMF meeting hall.

The IMF committee began the first in a series of meetings in Washington after the Group of 10 (G-10) major industrialized nations adopted a communique which urged the IMF and the World Bank to respond "flexibly and in a timely manner" to the Gulf crisis. But instead of authorizing financial giveaways from the wealthy IMF members, the G-10 nations called on affected countries to "strengthen their adjustment efforts which would provide the necessary basis for international support."

The G-10 actually consists of 11 countries—the Group of Seven (G-7) industrial nations—the United States, Japan, West Germany, Britain, France, Italy, and Canada—plus the Netherlands, Sweden, Belgium, and Switzerland.

The G-7 issued its own statement after seven and a half hours of talks on Saturday.

At the morning session of the interim committee, Brady said the latest oil shock is "very different" from the two oil shocks of the 1970s in view of a better global economic climate and lessening dependence on imported crude. He said international economic policy coordination to sustain noninflationary growth is "difficult" but "achievable," despite oil market uncertainties.

Brady pledged that the U.S. will do its share in that international process by achieving what he called a "meaningful and lasting" multiyear reduction of the federal budget deficit. President George Bush's administration has been trying to work out a deal with Congress under which the U.S. would cut the budget deficit by 50 billion dollars over five years, including 5 billion dollars in the initial year.

Both Hashimoto and Brady called for the IMF to utilize the compensatory and contingency financing facility (CCFF) for the benefit of countries such as Egypt, Turkey, and Jordan badly hit by the August 2 Iraqi invasion of Kuwait and the United Nations economic embargo on Iraq. Hashimoto said it is a touchstone of the IMF's capability whether the fund, as a core of the international monetary system, will be able to respond to the crisis with a great degree of flexibility.

His top deputy, Makoto Utsumi, vice finance minister for international affairs, told reporters Japan, the U.S., and Western Europe should work on a strategy for aiding the "frontline" countries of Egypt, Turkey, and Jordan at the earliest possible date. He hinted that G-7 representatives could begin strategic sessions with other donors as early as Tuesday.

Despite the Gulf crisis and the burden it has added to the debtor countries, French Finance Minister Pierre Beregovoy told the interim committee that the Brady plan should be strengthened. "But we should not do so at the expense of new money," the Japanese official quoted Beregovoy as telling the meeting. The French minister underscored a more flexible approach to the debt crisis by the two Bretton Woods institutions—the IMF and the World Bank.

Finance Minister, BOJ's Mieno on Yen Advance

OW2409154390 Tokyo KYODO in English 1526 GMT 24 Sep 90

[Text] Washington, Sept. 24 KYODO—Japan's Finance Minister Ryutaro Hashimoto said on Monday he is happy with the recent rise in the value of the yen against the U.S. dollar. Hashimoto told reporters after the IMF Policy-Making Interim Committee meeting that he is watching the yen's rising strength favorably.

The U.S. unit suffered a significant decline against the yen on the world currency markets on similar remarks by the Japanese top finance official shortly after the meeting of finance ministers and central bankers from the Group of Seven (G-7) industrialized democracies.

Bank of Japan Governor Yasushi Mieno, who attended the press conference, said the central bank is keeping a close eye on aftereffects on the Japanese economy of the latest 0.75 percentage point increase on August 30 in the official discount rate to 6.00 percent per annum.

Samaranch Wants Participation of Baltic Athletes

OW2009110990 Tokyo KYODO in English 0852 GMT 20 Sep 90

[Text] Tokyo, Sept. 20 KYODO—Juan Antonio Samaranch, president of the International Olympic Committee (IOC), on Thursday called on the Baltic republics to let their athletes take part in competitions.

Samaranch told a news conference ending the IOC's 96th session in Tokyo that in the republics "99 percent of the players are really suffering difficulties," through being unable to take part in athletic games. He said he had earlier asked the Baltic republics to "even provisionally, let the players participate in normal competitions." They withdrew from many national championships, including soccer and basketball, in the Soviet Union last year, he said.

Samaranch, however, reaffirmed that recognition of the Baltic republics in sports must "come after a political solution." Lithuania has already declared itself independent, while Latvia and Estonia say they will also do the same.

The IOC decided to establish a working group on this issue led by IOC Vice President Keba Mbaye from Senegal during its annual session here last week.

Japan

Justice Minister Retracts Remarks on Blacks

OW2509082290 Tokyo KYODO in English 0628 GMT 25 Sep 90

[Excerpts] Tokyo, Sept. 25 KYODO—Japan's Justice Minister Seiroku Kajiyama on Tuesday retracted and apologized for remarks he made last week comparing blacks in the United States with prostitutes who bring down the reputation of good neighborhoods.

On Friday night, Kajiyama, speaking to the press after observing a red-light district in central Tokyo, referred to some Southeast Asian women allegedly engaged in prostitution there and said, "It's like a bad currency drives out a good currency ... It's like in America when neighborhoods become mixed because blacks move in, and whites are forced out." The justice minister's retraction came at a press conference after a regular cabinet meeting Tuesday morning.

"I touched upon the question at a previous press meeting of morals being corrupted in certain areas of Shinjuku ward ... but I found my remarks citing a racial problem of the United States were completely inadequate ...," Kajiyama said. "So I retract the remarks and deeply apologize to those concerned," he said.

Tokyo's Shinjuku District is the capital's biggest entertainment and sex industry area, where many Japanese, Asian, and other foreign men and women work.

Kajiyama, 64, was in the red-light district on an inspection tour as one of his first official duties after his appointment to the post on September 13 to succeed Shin Hasegawa, who resigned for health reasons.

On Monday, the U.S. State Department said Kajiyama's comments were "offensive." "We have only seen press reports quoting alleged statements by the Japanese justice minister and we do not have a transcript of his remarks. However, racial stereotyping of any kind is always deplorable and regrettable. Such remarks are offensive to the American people," the department said in a statement.

Also on Monday, a New York state legislator urged black Americans to impose sanctions against all Japanese products "in view of this latest racial slur by a Japan official." Geraldine Daniels, a state assemblywoman from New York's Harlem District, said in a press release that she demands an explanation from Japanese Prime Minister Toshiki Kaifu on "these continued insults by Japanese officials regarding black Americans, and what he intends to do about it."

Daniels also cited the generosity of black American soldiers to Japanese during the occupation of Japan after World War II and noted that many black American soldiers are now in the Persian Gulf to ensure that oil keeps flowing to Japan.

The Japanese Embassy in Washington said Monday it received 20 telephone calls complaining about the remarks.

A Japanese diplomat in Washington, speaking on condition of anonymity, said the embassy is waiting for an apology from Kajiyama. He cited two previous cases in which former Prime Minister Yasuhiro Nakasone and former Finance Minister Michio Watanabe issued apologies and retracted remarks critical of ethnic minority groups in the U.S.

The Congressional Black Caucus, which bitterly criticized Nakasone after his remarks in 1986, and Watanabe in 1988, did not return calls. [passage omitted]

Meanwhile, Foreign Ministry spokesman Taizo Watanabe called Kajiyama's remarks "extremely inappropriate," and lacking consideration for "the very complicated racial problem in the United States." Watanabe said that a similar message was conveyed to Kajiyama earlier in the day by Chief Cabinet Secretary Misoji Sakamoto "on behalf of Prime Minister Toshiki Kaifu."

The spokesman added that the views expressed by Kajiyama were "contrary to the established policy of the Japanese Government" which, he said, advocates "understanding by the Japanese as a whole."

He quoted Kajiyama as saying that he had only referred to racial problems in the U.S. "inadvertently."

Questioned about other alleged remarks by Kajiyama that Filipinos were "sneaky," Watanabe said, "I don't recall he has made that kind of remarks openly ... in a press conference."

On whether Kajiyama might be forced to resign, Watanabe referred back to Sakamoto's "warning" and said, "at this moment, that's it."

Explains Intentions

OW2109230790 Tokyo KYODO in English 1515 GMT 21 Sep 90

[Text] Tokyo, Sept. 21 KYODO—Japan's justice minister said Friday prostitutes and black Americans are similar because they both destroy good neighborhoods.

Newly appointed Justice Minister Seiroku Kajiyama made the remark to explain to reporters his impressions after observing a police crackdown on foreign women allegedly soliciting customers for sex on Tokyo's streets. Kajiyama said that women who solicit clients on the streets have been giving a bad reputation to orderly neighborhoods.

"It's like in America when neighborhoods become mixed because blacks move in, and whites are forced out," Kajiyama told a news conference.

The Justice Ministry later issued a correction stating concern that Kajiyama's comments included "expressions that may cause misunderstanding." In the revised statement, Kajiyama said the residents in the neighborhood he visited "feel insecure and are voicing complaints."

"I intended to say that we must take measures to solve this problem. I did not mean to talk about racial issues," he said.

Kajiyama was appointed to serve as justice minister last week to replace, Shin Hasegawa, who resigned due to illness. The tour of the red-light district in central Tokyo was one of his first official duties.

The strong yen has drawn many foreign women, mostly from neighboring Asian countries, to work in Japan's lucrative sex industry. Prostitution is illegal in Japan.

Cabinet Approves Kaifu U.S., Mideast Visits

OW2509055790 Tokyo KYODO in English 0435 GMT 25 Sep 90

[Text] Tokyo, Sept. 25 KYODO—The government formally decided at a regular cabinet meeting Tuesday that Prime Minister Toshiki Kaifu will attend the world summit for children in New York on September 29 and 30, government officials said. He is also scheduled to meet U.S. President George Bush while in New York, the officials said. Kaifu will deliver a keynote speech on elementary-level education at the summit, which is being organized by the United Nations Children's Fund (UNICEF).

The government also agreed that Kaifu should leave directly from New York for a visit to five Middle East nations from October 1 to 8 following the children's summit, the officials said. He canceled a planned visit to Egypt, Jordan, Turkey, Saudi Arabia, and Oman in August in the wake of Iraq's invasion of Kuwait.

Kaifu will return home on October 9.

Industrial Bank To Set Up Firm in New York

OW0709030890 Tokyo KYODO in English 0253 GMT 7 Sep 90

[Text] New York, Sept. 6 KYODO—Industrial Bank of Japan said Thursday it plans to set up a subsidiary in New York specializing in mergers and acquisitions.

The wholly owned new company, to be named Bridgeford Group Inc., will be capitalized at 50 million dollars, bank officials said. It will be headed by John Herrmann, a Shearson Lehman Hutton official. The bank has in the past assisted in mergers and acquisitions involving Japanese companies in the United States through its affiliate IBJ Schroder Bank and Trust Co.

NHK Plans Economic Program in U.S., Europe

OW0509192190 Tokyo KYODO in English 1400 GMT 5 Sep 90

[Text] Tokyo, Sept. 5 KYODO—Japan Broadcasting Corp. (NHK) said Wednesday it will begin broadcasting an English language television economic news program in the U.S. and Europe on October 8.

The program, Japan Business Today, will be shown between 5:30 and 6:00 A.M. (Eastern Standard Time) from Monday to Friday in the U.S. via FNN, the largest economic news-only cable network in the country. In Europe, the program will be aired on Super Channel, a London-based cable television channel.

Japanese audiences can view the program from 8:30 weekday evenings on NHK's satellite channel No. 1.

Pyongyang Seeks Apology, Reparations for Rule

OW2509085690 Tokyo KYODO in English 0833 GMT 25 Sep 90

[Text] Pyongyang, Sept. 25 KYODO—A high-powered Japanese mission agreed Tuesday with the Korean Workers' Party (KWP) that Japan must apologize and pay reparations for its past colonial rule of the Korean peninsula for the improvement of bilateral relations. The agreement was reached between the leaders of the Japanese mission, composed of lawmakers from the ruling Liberal Democratic Party (LDP) and opposition Japan Socialist Party (JSP), and Kim Yong-sun, the KWP secretary for international affairs, Japanese sources said. They held their first joint meeting Tuesday morning.

The Japanese mission is led by former Deputy Prime Minister Shin Kanemaru, one of the most influential politicians in the LDP, and JSP Vice Chairman Makoto Tanabe. They arrived in Pyongyang on Monday for a five-day visit, the first involving top politicians of the LDP.

Kanemaru, who is carrying a letter from Prime Minister Toshiki Kaifu in his capacity as LDP president apologizing for Japan's 1910-1945 colonial rule of the Korean peninsula, is expected to hand the letter to North Korean Leader Kim Il-song when they meet Wednesday.

Kanemaru also took the occasion of a welcoming banquet Monday to apologize for the "intolerable plight and difficulties" the Korean people suffered because of Japan's colonial rule.

On the issue of reparations, Kanemaru told Kim Yong-sun on their way to the banquet Monday that both nations need to build confidence to solve the issue.

Before leaving Tokyo, Kanemaru had said that Japan should model reparations and the apology issue on those Japan offered to South Korea, noting that both parts of today's divided Korea suffered and faced the same problems caused by Japan's colonial rule. Japan extended 500 million dollars in economic aid to South Korea by way of reparations when the two countries normalized diplomatic ties in 1965. There are no diplomatic relations between Japan and North Korea.

Later Tuesday, the members of the Japanese mission were to tour the Pyongyang subway system and Kim Il-song's birthplace. The Japanese delegation has also been invited to attend a sports pageant with 50,000 participants at Kim Il-song Stadium in the evening.

Kim will meet with the joint delegation on Wednesday before holding separate talks with Kanemaru and Tanabe on setting up liaison offices in each other's countries.

The Japanese delegation is scheduled to see a circus Wednesday evening.

The LDP will hold a second round of talks with the Korean Workers' Party on Thursday morning before a joint meeting with all three parties in the afternoon. The JSP will have a separate meeting with the Korean Party after the joint session. A statement is likely to be issued after the series of talks between the parties, Japanese sources said.

Kenemaru and Tanabe will host a return banquet for the Koreans Thursday evening. The three parties will hold a final joint meeting on Friday, before the Japanese delegations wind up their five-day visit to Pyongyang.

ROK Envoy Welcomes Kanemaru Visit to DPRK

OW1209110690 Tokyo KYODO in English 0756 GMT 12 Sep 90

[Text] Tokyo, Sept. 12 KYODO—South Korean ambassador to Japan Yi Won-kyong told former Deputy Prime Minister Shin Kanemaru on Wednesday that Seoul welcomes Kanemaru's planned visit to North Korea later this month. In a meeting with Kanemaru at his office, the South Korean envoy also asked the veteran conservative politician to help promote dialogue between South and North Korea, Kanemaru's aides said.

Kanemaru, the head of the largest faction of the ruling Liberal Democratic Party (LDP), is scheduled to visit Pyongyang on September 24-28 as head of the party's mission to improve relations between Japan and North Korea.

Yi expressed hope that Kanemaru will call on North Korean leaders to change their closed-door foreign policies in line with an easing in global tensions.

In response, Kanemaru was quoted as saying that North and South Korea should maintain their dialogue toward unification of the divided Korean peninsula.

Talks Held With ROK Foreign Ministry Officials

OW1209110890 Tokyo KYODO in English 0739 GMT 12 Sep 90

[Text] Tokyo, Sept. 12 KYODO—Japanese and South Korean Foreign Ministry officials met in Tokyo on Wednesday and both highly evaluated the inter-Korean prime ministerial talks held in Seoul last week, Japanese officials said. The officials quoted Yi Chong-pin, South Korea's assistant foreign minister for political affairs, as telling the Japanese that the holding of the meeting was meaningful in itself.

Yi told Japan's Deputy Foreign Minister Hisashi Owada that Seoul is optimistic over the continuation of inter-Korean dialogue. But he acknowledged that Pyongyang and Seoul disagreed over ways of removing mutual distrust.

Owada, who represented the Japanese team at the one-day high-level session, termed the prime ministerial talks "historic" and welcomed the inter-Korean dialogue, the officials said.

North Korean Prime Minister Yon Hyong-muk visited Seoul from September 4-7 for talks with his South Korean counterpart, Kang Yong-hun. This was the highest level contact between North and South Korea since the Korean peninsula was divided after World War II.

In discussions on the Persian Gulf crisis, the South Korean delegation said Seoul will abide by United Nations Security Council resolutions calling for the immediate withdrawal of Iraqi troops from Kuwait and for economic sanctions against Iraq. South Korean officials said Seoul will provide one aircraft and one freighter to back up the multinational forces deployed in the Gulf region. South Korea, however, will allow only nonmilitary goods to be transported on the aircraft and ship, the Japanese officials said.

Soviet Deputy Premier Abalkin Postpones Visit

OW2509084490 Tokyo KYODO in English 0836 GMT 25 Sep 90

[Text] Tokyo, Sept. 25 KYODO—Soviet Deputy Premier Leonid I. Abalkin has postponed a visit to Japan originally scheduled for October 3-11 due to the press of domestic affairs, the Foreign Ministry said on Tuesday. The new itinerary has not yet been decided, ministry officials said.

The officials said Abalkin, invited by the ministry, has postponed the visit because of a change in the schedule in the Supreme Soviet for discussion of economic reforms and the holding of a general meeting of the Soviet Communist Party Central Committee on October 8.

Dentsu Plans To Open Moscow Office in Jan

OW2109214590 Tokyo KYODO in English 1322 GMT 21 Sep 90

[Text] Tokyo, Sept. 21 KYODO—Dentsu Inc. said Friday it has obtained Soviet Government permission to open an office in Moscow, the first Japanese advertising agency to do so. Dentsu plans to open an office staffed by five to six people in January, company officials said. The office is aimed at collecting information on the Soviet market and advertisements, and provide advertising and marketing expertise to Soviet businesses, the officials said.

Chernobyl Victim To Have Checkup in Hiroshima

OW1209112590 Tokyo KYODO in English 0825 GMT 12 Sep 90

[Text] Hiroshima, Sept. 12 KYODO—A Soviet taxi driver exposed to radiation in the aftermath of the 1986 Chernobyl nuclear disaster will receive a checkup in October at Hiroshima University, officials said Wednesday.

Andries Illak, 29, from Estonia, will check in to the university's Research Institute for Nuclear Medicine and Biology from October 16-18 for an examination including tests on his thyroid gland. He will be the first Chernobyl victim to receive a checkup in Japan.

Illak was exposed to radioactivity during the four months he spent on a Chernobyl cleanup crew. He joined the cleanup effort in June 1986, two months after the nuclear disaster. He was found to have a damaged thyroid gland, the officials said.

Illak is a leading member of a group of Chernobyl radioactivity sufferers. He will visit Japan at the invitation of a Japanese civic group.

Yoshikiyo Yoshida, representative of the group, called on his friends to help pay for Illak's trip and other expenses. Illak asked Yoshida to help him visit Japan for a medical examination when they met in July at a meeting in Estonia on the scrapping of European-based nuclear weapons.

Apart from his checkup, Illak will attend the meeting of a civic group in Kawasaki, Kanagawa Prefecture, near Tokyo, on October 13 and 14. The meeting will also be attended by a Soviet doctor, Petr Mardona, 53, who is studying better ways of treating victims of the Chernobyl disaster. Illak and Mardona will return home on October 21.

Takeshita Leaves for PRC, Hopes To Meet Deng

OW2009064190 Tokyo NHK General Television Network in Japanese 0300 GMT 20 Sep 90

[Text] Former Prime Minister Takeshita left Narita Airport this morning for Beijing to attend the Asian Games opening ceremony scheduled for 22 September.

Apart from attending the Asian Games opening on 22 September, former Prime Minister Takeshita will hold talks with Premier Li Peng this evening, and he is also scheduled to hold talks with such influential figures as state President Yang Shangkun and General Secretary Jiang Zemin. During a series of talks, former Prime Minister Takeshita plans to exchange views with Chinese leaders extensively on various issues, including the third yen-based loans which was only recently unfrozen. Moreover, former Prime Minister Takeshita has requested that he be given an audience with Deng Xiaoping, the most influential figure in China. Attention is now centered on whether he will be able to hold talks with Mr. Deng, who has not made any public appearances since last July.

Hitachi To Provide PRC With Video Technology

OW2209084890 Tokyo KYODO in English 0833 GMT 22 Sep 90

[Text] Tokyo, Sept. 22 KYODO—Hitachi Ltd. said Saturday that it has agreed to provide China with technology for the production of video tape recorders (VTRs). China's desire to obtain the know-how had been frustrated by prohibitions on transfer of high technology to Communist countries, Hitachi officials said.

The Paris-based Coordinating Committee for Multilateral Export Controls (COCOM) gave a green light to the transfer of VTR technology to Communist states in January as a result of easing West-East tension, however, clearing the way for Hitachi's action.

The Japanese firm will provide technical assistance for three assembly plants China is building in Chengdu, Nanung and Shenyang. Production is scheduled to start this year, they said.

Hitachi will accept about 80 trainees from the three plants at its main VTR production base in Japan, the officials said.

Demand for VTRs in China is estimated at more than 1 million units, most of them now imported from such places as Japan and Hong Kong, according to the officials.

KDD Plans Video Conference Service With UK

OW0509152590 Tokyo KYODO in English 1210 GMT 5 Sep 90

[Text] Tokyo, Sept. 5 KYODO—KDD (Kokusai Denshin Denwa) said Wednesday it will start an international video conference service with Mercury Communications Ltd. of Britain from Thursday.

Japan's international telecommunications giant said the new service would bring the convenience of audio-visual communications to customers in both countries. KDD already has such a service between Japan and Britain in cooperation with British Telecom.

Japanese participants will pay 154,000 yen per hour plus a 40,000 yen conference room charge if KDD's own video conference room is used. The charges on the British side are similar, the company said.

Kaifu, Portuguese Premier on Iraq, East Timor

OW1909090490 Tokyo KYODO in English 0645 GMT 19 Sep 90

[Text] Tokyo, Sept. 19 KYODO—Japan and Portugal condemned Iraq's invasion and annexation of Kuwait on Wednesday, calling it an affront to civilized society, a Foreign Ministry official said.

Prime Minister Toshiki Kaifu and Portuguese Prime Minister Anibal Cavaco Silva also called for a United Nations mediated settlement on East Timor, the former Portuguese colony which was annexed by Indonesia after it declared independence in 1975, the official said.

The two leaders agreed that Iraqi President Saddam Husayn's ambitions and recklessness are a challenge to civilized society, and should not be permitted, the official said.

Silva said the European Community highly regards Tokyo's 4 billion dollar contribution to help resolve the crisis, offered despite Japan's reliance on Iraq and Kuwait for oil. Japan imported 12 percent of its oil from the two countries before Iraq's August 2 attack, and is dependent on Mideast oil to meet 70 percent of its petroleum needs.

On East Timor, Silva called for recognition of the right to self-determination of the Maubere people who inhabit the island. The United Nations does not recognize Indonesia's annexation and considers Portugal to be the "administrator" of the eastern portion of Timor Island, located between Australia and Indonesia. Kaifu said he hopes that peace and stability will be restored at an early date through talks among involved parties, the official said.

In an hour-long meeting at Kaifu's official residence, Silva called for more Japanese investment and tourism, and invited Kaifu to visit Portugal. In 1989, Japan's trade surplus with Portugal stood at 319 million dollars, with exports at 484 million dollars and imports at 166 million dollars.

Silva also called for cooperation in preparations for the 450th anniversary of ties, initiated in 1543 when Portugal became the first European country to establish contact with Japan. At the time, Portugal had a major impact on Japan through its introduction of firearms, which changed military tactics used by Japanese warlords vying for control over the country.

Coverage Continues on Response to Gulf Situation

Forces 'Might Be Armed'

OW2109154990 Tokyo KYODO in English 1254 GMT 21 Sep 90

[Text] Tokyo, Sept. 21 KYODO—Noncombat Japanese Self-Defense Forces [SDF] personnel sent to the Middle East under a proposed United Nations Peace Cooperation Law might be armed, a Foreign Ministry spokesman indicated Friday.

"Whether they should be armed with (weapons for) minimum self-defense or not, that is a point of discussion," spokesman Taizo Watanabe told foreign correspondents. "But I can deny the possibility that they are going to be equipped with heavy arms, or light arms other than for minimum self-defense," he said.

Watanabe would not say whether he was referring to the possibility of SDF personnel being sent abroad with handguns if the proposed law is passed by the Diet, but he ruled out machine guns.

The spokesman stressed that nothing has been decided yet and added that some officials oppose the SDF personnel's bearing any arms at all.

Asian Concern Noted

OW2109191990 Tokyo KYODO in English 1321 GMT 21 Sep 90

[Text] Tokyo, Sept. 21 KYODO—Japan is seriously taking note of concern in Asian countries over Japan's intention to send Self-Defense Forces (SDF) personnel overseas to participate in future United Nations peacekeeping operations, a Foreign Ministry spokesman said Friday.

Spokesman Taizo Watanabe paraphrased officials of some Southeast Asian governments as saying that Japan's move to send SDF members overseas "is the beginning of something we have to watch about Japan." The spokesman's comments followed Foreign Minister Taro Nakayama's remark Thursday that he will attempt to allay such concerns when he meets with Asian foreign ministers at the United Nations in New York next week. Nakayama has scheduled talks in New York with Indonesian Foreign Minister Ali Alatas, Malaysian Foreign Minister Abu Hassan Omar, Philippine Foreign Secretary Raul Manglapus, South Korean Foreign Minister Choe Ho-chung, and Chinese Foreign Minister Qian Qichen.

Chinese Ambassador to Japan Yang Zhenya said Tuesday in connection with the proposed new law that Japan should consider the "sensitive feelings" of Asian countries invaded by Japan before and during World War II.

At the Association of Southeast Asian Nations (ASEAN) post ministerial conference in Jakarta in July, Nakayama was said to have been taken by surprise when the Malaysian foreign minister called for his assurances that Japan does not aspire to be a military power in the region.

Wednesday, Nakayama told the Foreign Affairs Committee of the House of Councillors that it is extremely important that Japan draw up a "flawless" U.N. peace cooperation law that would set Japan's Asian neighbors at ease.

JSP Opposes SDF Dispatch

OW1309105490 Tokyo KYODO in English 0845 GMT 13 Sep 90

[Text] Tokyo, Sept. 13 KYODO—Japan Socialist Party [JSP] Secretary General Tsuruo Yamaguchi accused the government and the ruling Liberal Democratic Party (LDP) on Thursday of seeking ways of sending the Self-Defense Forces [SDF] overseas. Yamaguchi made the accusation when giving a party report to the central executive committee amid growing discussions within government ranks and LDP officials on the introduction of a U.N. peace cooperation law to open ways to send nonmilitary members of the Self-Defense Forces overseas.

He said the government and the LDP have made every effort to seek ways of sending the Self-Defense Forces to foreign countries and revising the Japanese Constitution following the Gulf crisis. Japan's largest opposition party leader said the dispatch of unarmed members of the Self-Defense Forces to the Persian Gulf to support the U.S.-led multinational forces would amount to an infringement on the prohibition of collective self-defense under the Constitution.

Prime Minister Toshiki Kaifu announced measures on August 29 to assist the U.S.-led multinational forces confronting Iraqi troops at borders between Saudi Arabia and Iraqi occupied Kuwait. Government and LDP officials are discussing the possibility of sending SDF doctors and other unarmed SDF personnel to the Persian Gulf.

Yamaguchi said the JSP has demanded Iraq withdraw its forces occuping Kuwait since August 2. He said the JSP, however, hopes the conflict will be resolved by peaceful means in cooperation with the United Nations.

Touching on domestic politics, Yamaguchi reiterated a call for the scrapping of the 3-percent consumption tax, introduced by the government in April last year. He said the JSP will make every effort to further improve the living standard of the Japanese people in the 1990's in cooperation with other opposition parties. Yamaguchi called on party members to study social democracy as revised in the April party convention.

Opposition on Contributions

OW2109202890 Tokyo NHK General Television Network in Japanese 1000 GMT 21 Sep 90

[Text] Takako Doi, chairperson of the Japan Socialist Party [JSP], said in an interview with NHK that Japan should contribute to such UN peacekeeping activities as rebuilding in the Middle East following the termination of the crisis. Since volunteers alone will not be enough, the JSP wants to study and come up with an appropriate alternate soon, she added.

Regarding the question of allowing Self-Defense Force [SDF] personnel to participate in the UN peacekeeping force, while retaining their status of SDF members, however, she expressed her opposition to that idea, asserting that the government and the Liberal Democratic Party, by doing so, are trying to open a way to send SDF troops overseas.

Meanwhile, Keigo Ouchi, chairman of the Democratic Socialist Party, said today that the fact the government is studying the possibility of sending SDF personnel under its concept of cooperation with the UN proves that his party's position in that regard has been right all along. Speaking at a meeting of Nissan Corporation Trade Union, he said he wanted to praise the direction the government is taking. On the question of establishing the UN peacekeeping corps, he said it should be formed on a regular basis, not only for the purpose of dealing with the Gulf crisis.

Vehicles for 'General Purposes'

OW2109204490 Tokyo KYODO in English 1328 GMT 21 Sep 90

[Text] Tokyo, Sept. 21 KYODO—The 800 four-wheel-drive vehicles being shipped to the Middle East as a part of Japan's contribution to the multinational military forces will be used for general purposes, not for military operations, a government official said Friday.

Wataru Aso, deputy chief of the International Trade Policy Bureau of the Ministry of International Trade and Industry (MITI), made the statement in a committee meeting at the House of Councilors the same day.

A member of the Japan Communist Party asked in the meeting whether the Japanese Government has any way of checking that the vehicles will not be used for military purposes. But Kabun Muto, minister of international trade and industry, said the government understands that the 800 vehicles offered to the United States are for general purposes.

U.S. Aircraft Chartered

OW1309063590 Tokyo KYODO in English 0620 GMT 13 Sep 90

[Text] Tokyo, Sept. 13 KYODO—Japan has decided to charter U.S. civilian cargo aircraft to carry supplies to the U.S.-led multinational military forces in the Persian Gulf area, government sources said Thursday. The sources said the Japanese Government plans to charter one or two cargo plane from Evergreen International Co., based in Oregon. The planes are expected to fly from the United States to Saudi Arabia.

Japan has announced plans to provide 1 billion U.S. dollars in logistical aid to the multilateral forces, and 22 million dollars to help refugees streaming out Iraq and Kuwait. Part of the money will be used to pay for the aircraft charter, the sources said.

The Government will ask the United States not to transport munitions on the planes, which will carry only nonmilitary materials, the sources said. The 1 billion dollar special allocation will also cover the dispatch of Japanese commercial aircraft to transport food, water, and medical supplies from Japan to the Middle East.

Japan Airlines Co. (JAL) and All Nippon Airways (ANA), however, have said they want their aircraft to fly to Saudi Arabia from Japan. Therefore, the United States called on Japan to pay for the direct transport of materials directly to Saudi Arabia from the U.S.

JAL and ANA said on Thursday that they are preparing to send passenger planes to Jordan as part of Japan's efforts to assist UN-led refugee relief activities in the Persian Gulf. The planes will transport Asian refugees stranded in Jordan to their home countries, they said.

Freighter Leaves for U.S.

OW2509100690 Tokyo KYODO in English 0739 GMT 25 Sep 90

[Text] Tokyo, Sept. 25 KYODO—A government-chartered Japanese freighter sailed for the United States on Tuesday to transport nonmilitary supplies to the multinational force in the Persian Gulf, Transportation Ministry officials said. The officials said the 16,896-ton Hirato Maru was chartered in line with Japan's pledge to provide civilian ships to transport nonmilitary goods as part of its effort to help resolve the Gulf crisis.

After leaving Yokohama Port Tuesday afternoon, the Hirato Maru, with 22 Japanese crewmembers aboard, will arrive at a port on the West Coast of the United States in about two weeks. The freighter will load goods there and head for Saudi Arabia, the officials said. The name of the U.S. port has not been disclosed.

The ministry said it has chartered the ship for six months from a Kobe-based shipping company. The government said the vessel will be used to transport nonmilitary goods such as water, food and medicine.

Earlier this month, a ship loaded with 800 four-wheel-drive vehicles, Japan's first supplies for the multinational force in the Gulf area, left for Saudi Arabia.

Saddam Blamed for Price Hikes

OW2509055990 Tokyo KYODO in English 0405 GMT 25 Sep 90

[Text] Tokyo, Sept. 25 KYODO—International Trade and Industry Minister Kabun Muto said on Tuesday the latest jumps in crude oil prices are speculative in nature, and promised to seek international talks to stem further rises.

Muto told a press conference after a regular cabinet meeting that he is worried crude oil prices have risen "more sharply than had been expected." "That has been caused by the 'foolish' statements by (Iraqi President Saddam) Husayn," Muto said. "The oil price rise has not been due to the tight supply-demand balance, but exclusively due to speculation in the market over Husayn's words."

Crude oil prices closed at new record highs Friday in New York on market fears of a possible outbreak of war in the Middle East. Market players attributed the jitters to Husayn's remarks reffering to a "coming battle."

Husayn made another hawkish statement on Sunday, saying he will strike at Middle East oil fields and Israel if Iraq is strangled by the U.S.-led campaign to drive it out of Kuwait.

The Japanese trade minister said at the Tuesday press meeting that since the latest bout of oil price rises is a product of speculative buying, there could be a way to coordinate international efforts to curb such moves in the market. "I will seek international cooperation among oil consumer countries, producer nations, and oil majors through the International Energy Agency," he said. "Some of the major producer countries like Saudi Arabia are not happy about the price rise, and we can expect cooperation from them."

Ethylene Price Rise Planned

OW2109131790 Tokyo KYODO in English 1145 GMT 21 Sep 90

[Text] Tokyo, Sept. 21 KYODO—Mitsubishi Petrochemical Co. plans to raise the price of ethylene by 24.9 percent from October 1 because of soaring crude oil prices, the top Japanese petrochemical company said Friday. Industry sources said other petrochemial companies are expected to follow suit in a move which would mark the first sharp ethylene price increase since 1979, when its price jumped due to the second oil shock.

Mitsubishi said negotiations with its customers are now under way over the price increase, citing the upturn in crude oil prices and the resulting price surge of naphtha, the raw material for ethylene, in the wake of the Persian Gulf crisis.

The price hike, industry sources said, will trigger a spiral of price surges for petrochemical products as ethylene is widely used for making plastics, vinyl, and synthetic fibers.

According to Mitsubishi, the price of naphtha is projected to soar to 32,500 yen per kiloliter in October from around 20,000 yen in early this year. A naphtha price swing of 1,000 yen a kiloliter pushes up the cost of ethylene by 2 yen a kilogram, Misubishi said.

An official at Shin-Etsu Chemical Co., a major ethylene user, said his company has not decided yet on whether to accept the price increase, but said there would be no choice but to pass the increase on to prices of its products such as polyvinyl chloride.

Iraq Exclusion From Enthronement 'Likely'

OW2109230690 Tokyo KYODO in English 1458 GMT 21 Sep 90

[Text] Tokyo, Sept. 21 KYODO—Japan is likely to retract an invitation to Iraq to send a representative to November's enthronement of Emperor Akihito, despite the invitation already having been accepted, government sources said Friday.

About 140 nations have accepted invitations to the imperial ceremony. Before its invasion of Kuwait on August 2, Iraq informed Japan that Vice President Taha Muhyi-al-Din Ma'ruf will attend the ceremony. The Japanese Government sent a letter of invitation to Baghdad in late July.

Government officials believe it is hardly possible to let stand the invitation to Iraq, which has taken Japanese nationals hostage, to a ceremony which the government regards as the nation's most important happy event, the sources said. The invitation to Iraq may be rescinded next week, the sources said.

Suit Against Funding of Enthronement Ceremony

OW2109144490 Tokyo KYODO in English 1010 GMT 21 Sep 90

[Text] Osaka, Sept. 21 KYODO—About 1,000 citizens filed suit against the state Friday to stop public funding of ceremonies marking Emperor Akihito's formal accession to the throne in November, saying public funding would violate the constitutional separation of government and religion. The 987 people filed the suit with the Osaka District Court, demanding payment of 10,000 yen per plaintiff as compensation for "spiritual pain" caused by the state's act.

A state-sponsored accession ceremony is slated for November 12, while a Shinto court rite known as Daijosai (Great Thanksgiving Festival) is set for November 22-23. The government has allocated 8.1 billion yen for the ceremonies.

The emperor assumed his duties January 7, 1989, immediately after his father, the Emperor Showa, died at the age of 87.

The plaintiffs said it is clear that both the Daijosai and the accession rite are Shinto ceremonies. They said the November 12 ceremony is a Shinto rite because the emperor will sit on a six-meter-tall throne, which they call a religious symbol. Scholars say the throne symbolizes the throne of Amaterasu Omikami, the Shinto deity who purportedly descended from heaven over 2,600 years ago to found the imperial family. In the Daijosai, the emperor will offer newly harvested rice and other food to the gods and spend part of the night in a special shrine to symbolize his communion with them.

The plaintiffs said public funding of the ceremonies would violate Article 20 of the Constitution, which bans the state from engaging in religious education or any other religious activity and Article 89, which bars spending public money "for the use, benefit or maintenance of any religious institution or association." If the state funds the ceremonies, taxpayers will be forced to bear the cost whether they like it or not, the plaintiffs said. This would also infringe on the people's "freedom from illegal religious activities by the state," they said.

Mandatory Retirement Age for Generals Extended

OW2209142690 Tokyo KYODO in English 1231 GMT 22 Sep 90

[Text] Tokyo, Sept. 22 KYODO—Generals and admirals of the Self-Defense Forces (SDF) will retire at the age of 60 beginning October due to the extension of the age limit, officials of the Defense Agency said Saturday. The current mandatory retirement age of lieutenant generals and vice admirals is 58, and 56 for major generals and rear admirals, the officials said. The agency will also revise noncommissioned officers' [NCO's] retirement age to 53 from current 50-52 in accordance with their ranks. The retirement age of officers below general and admirals will remain unchanged, the officials added.

The SDF has so far maintained a relatively young retirement for officers above sergeant due to the nature of their duties. A majority of SDF officers reach retirement age in their early 50s, the officials said. However, the agency decided to extend the age limit of generals as prime requirement for generals is not physical strength but knowledge and experience, the officials said.

The agency revised the retirement age of NCO's in order to ensure more stable lifetime planning, also as a part of measures to recruit more needed personnel, they said. Such a major change in the retirment age is the first time in five years.

The officials said the revision will be approved at a cabinet ministrial meeting to be held Monday.

Mutsu To Try Full Nuclear Reactor Capacity

OW2509044490 Tokyo KYODO in English 0157 GMT 25 Sep 90

[Text] Mutsu, Aomori Pref., Sept. 25 KYODO—Japan's only nuclear-powered ship, the Mutsu, left port here on Tuesday for tests to try to get its reactor to full capacity for the first time since it was launched 21 years ago. The 8,242-ton Mutsu will start its reactor in the Pacific Ocean on Wednesday, officials of the Japan Atomic Energy Research Institute said.

A previous attempt to test the ship in July was halted when its nuclear reactor was shut down due to faulty readings from an instrument gauging the movements of its control rods.

In the new tests, the reactor's output level will be raised to 70 percent of capacity for a week and to 90 percent for another week, the officials said. The output will reach full capacity in the last two days of the planned test.

The Mutsu has a single light-water reactor with a design capacity of 10,000 horse power and a top speed of 16.5 knots.

The ship will return to its home port of Sekinehama in Mutsu, Aomori Prefecture, northern Japan, on October 8, they said. It is due to be permanently mothballed next spring.

The Mutsu was dry-docked in 1974 after its reactor leaked gamma rays. The institute, under the Science and Technology Agency, has spent more than 100 billion yen on research and development for the ship, including a 12.5 billion yen overhaul after the reactor accident. Experts began to conduct low-level testing of the reactor in March, after a 16-year hiatus, while the Mutsu remained berthed in port.

Finance Ministry Publishes Budget Requests

OW1109041090 Tokyo KYODO in English 0141 GMT 11 Sep 90

[Text] Tokyo, Sept. 11 KYODO—Government ministries and agencies have filed Fiscal 1991 budget appropriations requests amounting to 71,115.8 billion yen, a 7.4 percent increase over the Fiscal 1990 budget, the Finance Ministry said Tuesday. It is the first time that such funding requests have topped 70 trillion yen.

The official tallies, contained in a report presented by Finance Minister Ryutaro Hashimoto to the cabinet, show general operating expenditures, or those designed to finance government operations, totaling 36,942.7 billion yen, up 4.4 percent. The 4.4 percent increase matches a growth ceiling set earlier by the Government and is the biggest since Fiscal 1982 when the budget ceiling system was introduced to restore balance to the nation's finances.

The appropriations requests submitted by the August 31 deadline also show increases of 5.8 percent in defense spending and 10.1 percent in foreign aid, known as Official Development Assistance (ODA).

Besides general operating expenditures, debt servicing drew appropriations requests amounting to 16,322.8 billion yen, a 14.2 percent gain.

Based on the funding requests, the Finance Ministry will map out a draft budget by December with the aim of holding the size of the budget down to around 70 trillion yen, ministry officials said.

On top of the budgetary requests, the ministry also reported that it received a total of 42,502.1 billion yen in funding requests for projects covered by the fiscal investment and loan program, known as "the second budget." The sum represents a 22.9 percent surge over the Fiscal 1990 program. The program provides funds used in public works projects, public housing loans, and by public corporations.

BOJ Reports Economic Expansion Continues

OW2109135590 Tokyo KYODO in English 1210 GMT 21 Sep 90

[Text] Tokyo, Sept. 21 KYODO—Pulled by vigorous personal spending and corporate investment in plant and equipment, Japan's economic expansion continues amid a tighter labor market, the Bank of Japan [BOJ] said Friday. The bright economic assessment came in a monthly review of the nation's monetary and economic conditions, the first since the central bank raised its official discount rate by 0.75 percentage point to 6 percent flat on August 30.

Briefing reporters on the report, a senior bank official said the impact of the discount rate hike will be felt among small- and medium-size firms and material-oriented industries earlier than others, but that the strong capital spending will continue at least until March.

Senior bank economist Masaaki Nakao said the inflationary effects of soaring oil prices have not been detected directly yet, but cautioned against price gouging. "It's necessary to monitor possible price gouging with caution as prices remain on an upward trend because of increased labor and distribution costs," he said.

Ministries Seek 1.5 Trillion Yen for ODA

OW2009135290 Tokyo KYODO in English 1145 GMT 20 Sep 90

[Text] Tokyo, Sept. 20 KYODO—Eighteen government ministries and agencies have called for a total of 1,515.8 billion yen for official development assistance (ODA) in fiscal 1991, starting in April next year, the Foreign Ministry said Thursday.

The total is up 4.6 percent or 66.4 billion yen from the current year's Japanese ODA budget. It includes 791.8 billion yen for grants, up 2.4 percent, and 890.4 billion yen for loans, up 7.8 percent. Of the total requested, loans account for 52.9 percent and grants 47.1 percent.

The government will work out a fiscal 1991 budget in December after the Finance Ministry goes over budgetary requests from all ministries and agencies.

Firms Keep 'Tight Rein' on Dividend Payments

OW2109112890 Tokyo KYODO in English 1013 GMT 21 Sep 90

[Text] Tokyo, Sept. 21 KYODO—Major Japanese companies kept a tight rein on dividend payments in fiscal 1989 despite their strong earnings growth, an association of the nation's eight stock exchanges said Friday. The

National Conference of Stock Exchanges said corporate earnings grew swiftly amid economic expansion in the year ended on March 31, but the tempo of dividend growth was not commensurate with it.

The findings were based on a survey of 1,971 listed firms nationwide, which showed combined after-tax profits expanding 22.6 percent on a year-to-year basis to 10,203.8 billion yen, but dividends paid by the pollees registering a slower rise of 20.5 percent to 2,820.7 billion yen.

As a result, the conference said, the payout ratio of the companies surveyed hit a record low for the third straight year, standing at 27.64 percent. The payout ratio is the percentage of a company's profit that is paid out to shareholders in the form of dividends. Japanese companies have been criticized for keeping the ratio low for some time.

Among other findings, the survey showed that the percentage of companies paying more dividends, including those paid in gratis shares, stood at a record high of 42.8 percent. According to the survey, 57.8 percent of the companies paid 5 to 7 yen in dividends per share for the face value of 50 yen, making them the biggest group among dividend payers.

Higher Growth of Firms' Earnings Predicted

OW0409213390 Tokyo KYODO in English 1006 GMT 4 Sep 90

[Text] Tokyo, Sept. 4 KYODO—Japanese companies, hardly scathed by the crisis in the Persian Gulf, should enjoy better-than-expected pretax profits in the business year ending next March, a private think tank said Tuesday. The Yamaichi Research Institute of Securities and Economies said combined pretax profits of all industries will grow 4.7 percent in the business year, an upward revision from a 3.5 percent expansion in a previous forecast made on June 4. Sales will increase 1.3 percent from the previous year, up from a 0.8 percent rise projected in June.

The institute, a research arm of Yamaichi Securities Co., said Japan's personal consumption and corporate spending on plants and equipment are healthy enough to help companies weather rising oil prices and higher interest rates.

Combined pretax profits of manufacturing industries will grow 8.0 percent from the previous year, against a 6.5 percent increase seen in the June survey, while those of the nonmanufacturing industries are expected to decline 2.1 percent instead of a 2.7 percent fall predicted in the previous report.

The forecast is based on the assumption that the exchange value of the dollar will be 140 yen and oil priced at 25 dollars per barrel in the year while the interest rate three-month certificates of deposit, a benchmark of the short-term money market, is estimated at 8.5 percent.

IBM, Hitachi To Share Computer Programs

OW0309[illegible]10090 Tokyo KYODO in English 0010 GMT 3 Sep 90

[Text] Tokyo, Sept. 3 KYODO—International Business Machines Corp. [IBM] and Hitachi Ltd. have agreed to share a wide range of computer programs based on the U.S.-developed Unix computer-operating system, a leading Japanese business daily reported in its Monday editions.

Under the accord, the U.S. and Japanese electronics giants will seek to make use of common software for Unix-based computers ranging from personal to mainframe computers, the NIHON KEIZAI SHIMBUN said.

As part of the partnership, IBM will introduce from Hitachi technology for developing application programs tailored to specific needs such as company finance administration and marketing control, the paper said. The two companies will then commercialize programs thus developed for their computer users, making such software applicable to both IBM and Hitachi computers. They will also rewrite existing application software to permit its use on their computers.

Unix, originally developed by American Telephone and Telegraph Co., is a fundamental program necessary to operate computers. Usually computers of different make are not compatible due to different operating programs.

Hitachi has a similar partnership with Hewlett-Packard Co. of the United States. The latest move could lead to a linkup among IBM, Hitachi, and Hewlett-Packard, the daily said.

Referring to an agreement by Fujitsu Ltd. of Japan to purchase International Computers Ltd. of Britain, the paper added that the IBM-Hitachi partnership will greatly affect competition within the world computer industry.

Nippon To Market IBM-Compatible Computer

OW1109060990 Tokyo KYODO in English 0438 GMT 11 Sep 90

[Text] Tokyo, Sept. 10 KYODO—Nippon Steel Corp. said Monday it will begin marketing in the United States later this year a book-sized computer which is compatible with International Business Machines Corp.'s [IBM's] best-selling personal computer.

Nippon Steel officials said it will sell its portable computer beginning in November through its wholly owned subsidiary Librex Computer Systems Inc., located in San Jose, California.

The A4 paper-sized Librex, which weighs 2.8 kilograms, has a length of 297 millimeters, a width of 213 millimeters, and a depth of 50.8 millimeters. The machine is comprised of a 2.5-inch 20 megabyte hard disk drive and a 3.5-inch 1.44 megabyte floppy disk drive. The machine can be powered for three hours on batteries, officials said. It comes with either a 16-bit or 32-bit central processing unit. The 16-bit unit will sell for 3,500 dollars, while the 32-bit unit will cost 4,500 dollars, the officials said.

Librex Computer Systems Inc. was established in May 1990 to market Nippon Steel's computer business in the U.S.

Tributyltin Production, Import Restricted

OW0609140490 Tokyo KYODO in English 0642 GMT 6 Sep 90

[Text] Tokyo, Sept. 6 KYODO—The government will impose curbs on the production and import of tributyltin (TBT) compounds—organic compounds of tin used mainly as antimicrobial agents in paints for ship bottoms—from September 12, officials of the Ministry of International Trade and Industry (MITI) said Thursday.

A revision will be made to an ordinance concerning restrictions on the production of chemicals after approval at a cabinet meeting Friday, the officials said. As a result, 13 TBT compounds will be subject to the restrictions stipulated in the ordinance, they said. Under the new rule, companies that either manufacture or import the chemicals will be required to report their production or import plans in advance to MITI. Companies that import paints containing the TBT compounds will have to report in advance the amount of the imports and other information to MITI, and distributors will have to state on containers that products contain the compounds.

As reported earlier, the 13 TBT compounds produced domestically and imported in fiscal 1989 ended last March 31 totaled about 5,090 tons, up from 4,230 tons the previous year, according to MITI.

Nissan, Toyota Seeking Closer Cooperation

OW0409213290 Tokyo KYODO in English 1118 GMT 4 Sep 90

[Text] Tokyo, Sept. 4 KYODO—Japan's two auto giants are seeking help from each other in auto parts supply as a cost reduction effort amid the increasing rivalry among automakers at home and overseas, industry sources said Tuesday.

Toyota Motor Corp. is moving to purchase auto parts from an affiliate of its archrival Nissan Motor Co. for its planned plant in Fukuoka, while Nissan plans to enter a contract with Nippon Denso Co., a major electronic and electrical parts maker affiliated with Toyota, the sources said.

The move, the first such cooperation between the two companies, is expected to bring about a critical change in Japan's business groupings, a major problem in Japan-U.S. negotiations concluded in late June aimed at removing barriers to trade and investment in both nations.

The sources said Nissan plans to buy fuel pumps from Associated Fuel Pump Systems, a South Carolina-based joint venture between Nippon Denso and Bosch of West Germany. The fuel pumps will be used in electronic fuel injection equipment of Sentra cars produced by Nissan's U.S. manufacturing base, Nissan Motor Manufacturing Corp. U.S.A.

Toyota, meanwhile, is studying the possibility of parts supply from Nissan group's auto parts makers for its new Fukuoka plant, expected to begin operation in 1993, according to the sources.

Mongolia

Australian Delegation Meets Party Leaders

OW2509124690 Ulaanbaatar International Service in English 0810 GMT 25 Sep 90

[Text] A visiting Australian parliamentary delegation headed by Dr. Charlesworth, has had a meeting with leaders of the party groups represented in the People's Great Hural and the State Small Hural. The guests were interested in the results of the recent general elections in Mongolia; the structure of the supreme bodies of state power in the country; and the policy of each political party of Mongolia; and country's social, economic, and political development. The Mongolian side at the meeting (?explained) importance of a (?final) switching over to market economy; the development of different forms of property, particularly private property; and establishing cooperation with all world countries, taking into account the national, geographical, and political specifics of Mongolia.

Byambasuren Interviewed on Forming Government

OW2009134490 Ulaanbaatar International Service in English 0910 GMT 20 Sep 90

[From "Society Magazine" segment]

[Text] These days, newly-elected Prime Minister Byambasuren is having talks with leaders of the political parties on the solution of finding a government. He has reached principled agreement with the National Congress Party, the Mongolian Democratic Party, and the Green Party on their participation in a new cabinet and their resolve of forming a government, its composition, and on the social economic policies to be conducted by their future cabinet.

Now, the parties are holding talks on how they will be represented in the future government. The composition of the future government will be discussed at a session of the State Small Hural, beginning on Monday, September 24.

Asked about the regime of forming a government, Prime Minister Byambasuren said this to our correspondent: [Begin Byamsuren recording in Mongolian, fading into English translation] If the new Government is to work in various specific conditions, characterized by stepped up activity of political parties, restructuring of the state structures, as well as transition over to market economic relations, said the prime minister. [sentence as heard] Thus we have to quite differently approach the formation of our new government, under new principles dictated by the ongoing renewal processes.

First and foremost, the new government will be a multiparty government, reflecting the interests of various strata of the population, an idea of newly-formed political parties concerning the future development trends of Mongolia. Secondly, the future government will be functioning like a cabinet. In other words, there is possibility for any action of the cabinet will wholly rest on all its members equally.[sentence as heard] If it fails, it will retire with the whole staff. There also occurred some organizational changes. The previous Council of Ministers was actually led by its Presidium members, who used to pass resolutions on behalf of the Council of Ministers. The third important principle to be observed in forming a new cabinet is to compose a highly professional organ. Fourthly, the future cabinet must function steadily and reliably in harmony with the highest legislative body, the State Small Hural.

In due course, the cabinet will be provided with the full autonomy of action. In all activity, the cabinet will rely on the broad public's say, and then it [words indistinct]. Concerning the participation of political parties in the future cabinet, the prime minister ruled out the prevalence of the selfish interests of any party in it and the participation of the cabinet members according to their belonging to any political party.

Expectations of Deputies Noted in Paper's Poll

LD2009183890 East Berlin ADN International Service in German 1626 GMT 20 Sep 90

[Text] Ulaanbaatar (ADN)—One quater of the deputies in the Mongolian parliament describe themselves as supporters of perestroyka. As further emerges from a sociological poll conducted by the government newspaper "ARDIYN TOR," more than one-third of the popular representatives consider themselves conservative. The others are centrists or have not yet exactly determined their political position.

Thirty nine percent of the parliamentarians are convinced that the standard of living in Mongolia will rise quickly; 26.5 percent are more cautious and think that the manifestations of crisis the country is currently experiencing will not worsen.

The majority of those asked are convinced that they will do justice to their parliamentary tasks and are in a position to put forward their point of view and motivate people. However, less than half think they have sufficient legal knowledge and political experience to freely polemicise in publishing and to publish in the press.

North Korea

Reportage Covering Japanese Delegation Visit

Official Meets JSP Group

SK2109110290 Pyongyang KCNA in English 1031 GMT 21 Sep 90

[Text] Pyongyang September 21 (KCNA)—Secretary Choe Tae-pok of the Central Committee of the Workers' Party of Korea, today met and had a friendly talk with the delegation of the Kumamoto Prefectural Headquarters of the Japan Socialist Party led by member of the House of Representatives Noboru Baba, former secretary general of the JSP.

WPK Holds Reception

SK2409155490 Pyongyang KCNA in English 1526 GMT 24 Sep 90

[Text] Pyongyang September 24 (KCNA)—The Central Committee of the Workers' Party of Korea gave a reception for the visiting delegations of the Liberal Democratic Party and Socialist Party of Japan at the Oknyu Restaurant this evening.

Speaking at the reception, Kim Yong-sun, secretary of the WPK Central Committee, vice-chairman of the Foreign Affairs Committee of the Supreme People's Assembly (SPA) and deputy to the SPA, said the current visit to Korea by Shin Kanemaru, Makoto Tanabe and other guests from Japan will mark a new starting point in the improvement of the DPRK- Japan relations.

Although Korea and Japan are close neighbours, they have remained in relations of distrust for too long, he said, adding: This does not conform to the desire of the two peoples to be on good terms with each other.

Recalling that the Japanese Government recently has manifested its readiness to settle accounts over the past and improve relations with the DPRK, he declared:

We think this is a good thing and approach this affirmatively.

If our country and Japan establish and develop good neighbourly relations on the principles of independence, equality and mutual benefit, it will not only conform to the desire and interests of the two peoples but also greatly contribute to building a free and peaceful new Asia.

Touching on the question of Korea's reunification, he said replacement of confrontation by detente and reunification of separated nations is now a trend of the times and the ardent desire for reunification is running higher than before among all the Korean people in the North and South.

Any attempts to have the existence of "two Koreas" legitimized internationally and freeze the division of

Korea with a talk about normalization of relations with South Korea at this juncture can never be allowed, he declared, and added:

If a Democratic Confederal Republic of Koryo, independent, neutral and non-aligned, is founded on the Korean peninsula, it will be beneficial entirely to peace and security in the Asia-Pacific region including Japan.

Head of the LDP delegation Shin Kanemaru, former deputy Prime Minister and member of the House of Representatives, and head of the JSP delegation Makoto Tanabe, vice-chairman of the party Central Executive Committee and member of the House of Representatives, spoke next at the reception.

I am very much pleased to visit your country at the invitation of the Workers' Party of Korea, Shin Kanemaru said in his speech, and went on:

From thousands of years ago there were the exchange of visits and cultural interchange between Japan and your country, neighbours with a sea in between, but unendurable sufferings and hardships were incurred against the people of your country by the acts of Japan early in the present century. We sincerely apologize for this.

He said the purpose of their current visit to the DPRK is that the two neighbourly countries open the windows from the stand of a new starting point and improve relations in a friendly manner with a smile through dialogue.

He further said:

I believe that although there are some obstacles to be overcome in improving the relations between the two countries the wall of these obstacles will be pulled down without fail by coming to full mutual understanding and a new morning of Japan-DPRK relations be greeted.

The realization of dialogue between the two countries is a result of the efforts of the Workers' Party of Korea and the Japan Socialist Party for the development of friendly relations between the two countries.

To have dialogue for the improvement of the Japan-DPRK relations will be not only helpful to the peoples of Japan and Korea but also conducive to peace and security in Asia and the rest of the world, he said, adding: I hope the talks between us will come to a success and thus friendly relations between the two countries be improved.

In his speech, Makoto Tanabe said:

The Japan Socialist Party, the Liberal Democratic Party and the Workers' Party of Korea are going to open the curtain of a new era for the improvement of relations between Japan and the Democratic People's Republic of Korea.

The past 45 years were a blank period in the history of the relations between the two countries.

I believe it is fully possible to fill the blank if the three parties make sincere efforts for reconciliation between Japan and the DPRK, although this historical blank cannot be filled overnight.

I think Japan must strive to have more contacts with the people in the DPRK.

Korea was a colony for 36 years due to Japan's aggression. This resulted in the tragic division of the Korean nation and this tragedy continues still today.

Deeply conscious of these historical facts, we have to repent of and atone for them and fulfil our duty to improve the relations between Japan and the DPRK.

The Japan Socialist Party has striven to create an international climate for the independent and peaceful reunification of Korea from the position that the peace and development of the Korean peninsula are very important for the development and peace not only of the Korean nation but also of Japan, asia and the rest of the world.

The visit of the JSP together with Japan's ruling LDP to the DPRK is a success of the relations of trust between the JSP and the WPK and a result of the efforts of the two peoples.

Expressing the resolution to make a contribution to the betterment of the Japan-DPRK relations while deepening friendship with the WPK still further, he hoped in the depth of his heart that the three-party talks would open the long-closed door between Japan and the DPRK and record a new chapter in their relations.

The participants in the reception toasted the friendship between peoples of the DPRK and Japan and the development of good neighbourly relations between the two countries, the good health and long life of the great leader Comrade Kim Il-song, the good health and long life of the dear leader Comrade Kim Chong-il and good health of esteemed Mr. Shin Kanemaru and Mr. Makoto Tanabe.

Kanemaru Conveys Apology

OW2409132990 Tokyo KYODO in English 1310 GMT 24 Sep 90

[Text] Pyongyang, Sept. 24 KYODO—The head of a Japanese parliamentarians' mission apologized to North Korea on Monday for Japan's past colonial rule of the Korean peninsula, which he said brought about "untolerable pain and damage" to Koreans.

Shin Kanemaru, a former deputy prime minister and one of the most influential politicians in Japan, extended the apology at a welcoming dinner in Pyongyang hosted by the governing Korea Workers Party.

Kanemaru arrived in Pyongyang earlier in the day as head of a joint mission from Japan's ruling Liberal Democratic Party (LDP) and the Japan Socialist Party (JSP), the country's No. 1 opposition party. It is the first official LDP delegation ever to visit North Korea. In his speech at the banquet, Kanemaru said he was offering remorse from the bottom of his heart and wanted to apologize deeply for the intolerable plight and difficulties the Korean people suffered because of Japan's conduct earlier this century.

Japan colonized the Korean peninsula from 1910 until the end of World War II in 1945, when the peninsula was divided into North and South Korea.

Kanemaru is known as the political mentor of former Prime Minister Noboru Takeshita and is leader of the LDP's largest faction, founded by Takeshita. He said the aim of his visit to North Korea is to build friendly relations between the two countries from a new starting point. He is convinced that talks on improved relations between Japan and North Korea will not only benefit both countries but also contribute to peace and stability in the world, Kanemaru said.

Makoto Tanabe, a JSP vice chairman who leads his party's delegation, said at the banquet that he believes it is possible to "fill in the blanks" in history between Japan and North Korea through sincere efforts on both sides. Japan and North Korea have no diplomatic relations. The JSP has acted as a bridge between the two countries.

During their five-day stay in Pyongyang, Kanemaru and Tanabe will strive to break the postwar impasse between the two countries and seek the release of two Japanese seamen detained in North Korea on espionage charges since 1983, officials said.

Kanemaru, who leads the 13-member LDP delegation, is carrying a letter from Prime Minister Toshiki Kaifu apologizing, in his capacity as LDP president, for Japan's colonial rule of the Korean peninsula. He will deliver it in a meeting with North Korean Leader Kim Il-song, expected Wednesday.

The mission flew into Pyongyang from Tokyo nonstop aboard a chartered Japan Airlines flight. It was the first direct flight to North Korea by a Japanese airliner. Japanese travelers to Pyongyang normally go through Beijing.

More on Kanemaru's Remarks

OW2409144290 Tokyo NHK General Television Network in Japanese 1231 GMT 24 Sep 90

[Report from Pyongyang via satellite on the "remarks" made by Shin Kanemaru, former deputy prime minister; Makoto Tanabe, vice chairman of the Japan Socialist Party; and Kim Yong-sun, secretary of the Korean Workers Party, at the banquet held in Pyongyang "earlier this evening"; Kanemaru and Tanabe speak in Japanese while Kim speaks in Korean, with simultaneous Japanese translation provided by translator Choe Won-chu; Kim's remarks translated from the Japanese version—recorded; from the "NHK News 21" program]

[Text] [Video shows scene of a large banquet hall, cutting to closeup of Kanemaru speaking with a note in his hand]

[Begin Kanemaru recording amidst loud applause] Since ancient times of several thousand years, we have continued personnel and cultural exchanges with each other. Due to our nation's acts at a certain period in this century during the long process of history, our nation's acts brought about unbearable pains and harms [kutsu to shogai] to your people, and I would like to express from the bottom of my heart our reflections and apology for this fact.

I sincerely hope that the upcoming conference will end in a success, and on the basis of this success, friendly relations will be established. [end Kanemaru recording amidst applause]

[Begin Tanabe recording] During the 45 years of severed relations between Japan and the DPRK, was what can be called precisely a vacuum in the history of the relations between our two nations. I sincerely hope that the upcoming conference among our three parties will open the heavy door that has been shut between Japan and the DPRK, and I would like to do my best for this purpose. [end Tanabe recording]

[Begin Kim recording] The Japanese Government has stated its intention to settle the past accounts so as to improve the relations between the DPRK and Japan. Accepting this intention as an excellent idea, we would give it a positive thought.

If our nation and Japan should establish and develop relations of friendship and good-neighborliness based on the principles of independence, equality, and mutual benefit, it would be in the interests of the peoples of our two nations, and it would probably contribute greatly to building a new free and peaceful Asia.

Under the three principles of independence, peace, and peaceful unification and grand national unity, and based on the Koryo Federal System, we are trying to unite our fatherland. The shift from confrontation to dialogue, and from split to unity conforms to the trend of the times. [end Kim recording]

Kim Yong-sun Speaks at Party

SK2509055390 Pyongyang KCNA in English 0542 GMT 25 Sep 90

[Text] Pyongyang September 25 (KCNA)—Recalling that the Japanese Government recently has manifested its readiness to settle accounts over the past and improve relations with the DPRK, Kim Yong-sun, secretary of the WPK [Workers' Party of Korea] Central Committee, vice-chairman of the Foreign Affairs Committee of the Supreme People's Assembly (SPA) and deputy to the SPA, declared: We think this is a good thing and approach this affirmatively.

He was speaking at a reception given by the Central Committee of the Workers' Party of Korea for the visiting delegations of the Liberal Democratic Party and Socialist Party of Japan here Monday evening.

He said the current Korean visit of guests from Japan will mark a new starting point in the improvement of the DPRK-Japan relations.

Although Korea and Japan are close neighbours, they have remained in relations of distrust for too long, he said, adding: This does not conform to the desire of the two peoples to be on good terms with each other.

If our country and Japan establish and develop good nighbourly relations on the principles of independence, equality and mutual benefit, it will not only conform to the desire and interests of the two peoples but also greatly contribute to building a free and peaceful new Asia.

Touching on the question of Korea's reunification, he said replacement of confrontation by detente and reunification of separated nations is now a trend of the times and the ardent desire for reunification is running higher than before among all the Korean people in the North and South.

Any attempts to have the existence of "two Koreas" legitimized internationally and freeze the division of Korea with a talk about normalization of relations with South Korea at this juncture can never be allowed, he declared, and added:

If a democratic confederal republic of Koryo, independent, neutral and non-aligned, is founded on the Korean peninsula, it will be beneficial entirely to peace and security in the Asia-Pacific region including Japan.

Tanabe Speaks at Reception

SK2509061390 Pyongyang KCNA in English 0554 GMT 25 Sep 90

[Text] Pyongyang September 25 (KCNA)—In his speech at a reception given by the C.C. [Central Committee], the Workers' Party of Korea Monday evening, head of the visiting delegation of the Japan Socialist Party [JSP] Makoto Tanabe, vice-chairman of the Central Executive Committee of the JSP and member of the House of Representatives, expressed his resolution to make a contribution to the betterment of the Japan-DPRK relations while deepening friendship with the WPK still further, and said he hoped in the depth of his heart that the three-party talks would open the long-closed door between Japan and the DPRK and record a new chapter in their relations.

Makoto Tanabe said:

The Japan Socialist Party, the Liberal Democratic Party [LDP] and the Workers' Party of Korea are going to open the curtain of a new era for the improvement of relations between Japan and the Democratic People's Republic of Korea.

The past 45 years were a blank period in the history of the relations between the two countries.

I believe it is fully possible to fill the blank if the three parties make sincere efforts for reconciliation between Japan and the DPRK, although this historical blank cannot be filled overnight.

I think Japan must strive to have more contacts with the people in the DPRK.

Korea was a colony for 36 years due to Japan's aggression. This resulted in the tragic division of the Korean nation and this tragedy continues still today.

Deeply conscious of these historical facts, we have to repent of and atone for them and fulfil our duty to improve the relations between Japan and the DPRK.

The Japan Socialist Party has striven to create an international climate for the independent and peaceful reunification of Korea from the position that the peace and development of the Korean peninsula are very important for the development and peace not only of the Korean nation but also of Japan, Asia and the rest of the world.

The visit of the JSP together with Japan's ruling LDP to the DPRK is a success of the relations of trust between the JSP and the WPK and a result of the efforts of the two peoples.

Japanese Delegates Named

SK2409123590 Pyongyang KCNA in English 1023 GMT 24 Sep 90

[Spelling of all Japanese names as received]

[Excerpt] Pyongyang September 24 (KCNA)—[Passage omitted] The LDP delegation consists of its deputy heads Shinjiro Yamamura, former minister of transport and member of the House of Representatives, and Hikosaburo Okonoki, former minister of construction and member of the House of Representatives; its secretary Hajime Ishii, acting president of the Foreign Affairs Research Council of the LDP of Japan and member of the House of Representatives; members of the delegation Yoichi Tani, vice-chairman of the Dietmen's League for the Promotion of Japan-Korea Friendship and member of the House of Representatives, Yukihiko Iketa, deputy secretary general of the LDP and member of the House of Representatives, Michihiko Kano, deputy secretary general of the LDP and member of the House of Representatives, Hanatoshi Ozato, director of the General Affairs Department of the LDP and member of the House of Representatives, Hiromu Nonaka, vice-chairman of communications of the LDP and member of the House of Representatives, Masayoshi Takemura, general secretary of the Society for the Study of Korean Affairs of the Institute of Asian-African Affairs of the

LDP and member of the House of Representatives, Toshitsuku Saito, vice director of the International Department of the LDP and member of the House of Representatives, Tomoo Ie, member of the House of Councillors and Mayumi Moriyama, former chief cabinet secretary and member of the House of councillors.

The JSP delegation consists of its deputy head Wataru Kubo, vice-chairman of the party Central Executive Committee and member of the House of Councillors, and its secretary Satao Yamahana, deputy secretary general of the party Central Executive Committee and member of the House of Representatives, and its deputy secretary Hajime Fukada, member and director of the People's Movement Department of the Party Central Executive Committee and member of the House of Councillors, and its members Taneaki Tanami, member and director of the Information Department of the party Central Executive Committee and member of the House of Representatives; Masagatsu Takigi, member and director of the organ of the party Central Executive Committee; Takatoshi Fujita and Kogen Nosaka, members of the House of Representatives, and Terumi Kasuya, member of the House of Councillors, who are vice-chairmen of the party committee for Measures on Korean Affairs; and Kinuko Obuchi, deputy secretary general of the party Committee for measures on Korean Affairs and member of the House of Councillors.

Also arriving here are suite members of the delegation, working officials of the government and reporters of major press organs of Japan including ASAHI SHIMBUN, MAINICHI SHIMBUN, YOMIURI SHIMBUN, KYODO Press, JIJI Press, NHK, NIHON TV and ASAHI TV.

The guests were met at the airport by Kim Yong-sun, secretary of the C.C., Workers' Party of Korea, vice-chairman of the Foreign Affairs Committee of the Supreme People's Assembly and deputy to the SPA; and deputies to the SPA Choe Su-kil, director of a department of the C.C., WPK, Chong Chun-ki, chairman of the Korean Society for Cultural Relation with Foreign Countries and vice-chairman of the SPA Foreign Affairs Committee, Choe Mun-son, chief secretary of the Pyongyang Municipal Committee of the WPK, and Yi Mong- ho, director of the Secretariat of the SPA; An Tong-yun and Kim Yang-kon, vice-directors of a department of the C.C., WPK; Chon Yon-ok, vice-chairman of the Korean Society for Cultural Relations with Foreign Countries; deputies to the SPA Kim Yo-ung, director of the Korea Civil Aviation Company, and Nam Sun-hui, rector of Pyongyang College of Teachers, and other officials concerned.

LDP, JSP Host Gathering

SK2509112690 Pyongyang KCNA in English 1016 GMT 25 Sep 90

[Text] Pyongyang September 25 (KCNA)—The visiting delegations of the Liberal Democratic Party and the Socialist Party of Japan arranged a friendship gathering at the People's Palace of Culture today.

Speaking at the gathering, head of the LDP delegation Shin Kanemaru, former deputy prime minister of Japan and member of the House of Representatives, said the dialogue over the questions of Japan's apology to the DPRK and improvement of Japan-DPRK relations was held today at the talks between the LDP JSP and the Workers' Party of Korea.

Stating that the three-party dialogue is now progressing smoothly, he expressed the belief that the dialogue would bear a fine fruit in the improvement of relations between Japan and the DPRK.

Head of the JSP delegation Makoto Tanabe, vice-chairman of the party Central Executive Committee and member of the House of Representatives, said in his speech that the JSP and LDP delegations came on a visit to the DPRK with a view to paving a new way for the improvement of Japan-DPRK relations. This question must be solved without fail also for the posterity, he remarked.

Head of the WPK delegation Kim Yong-sun, secretary of the C.C., WPK, vice-chairman of the Foreign Affairs Committee of the Supreme People's Assembly (SPA) and deputy to the SPA, also spoke at the gathering.

Noting that talks between the WPK, LDP and JSP are under way in an open-hearted atmosphere, he evinced the belief that the talks would bear a good fruit.

The gathering took place in a friendly atmosphere.

Groups Begin Talks With WPK

OW2509032690 Tokyo KYODO in English 0247 GMT 25 Sep 90

[Text] Pyongyang, Sept. 25 KYODO—High-powered delegations from Japan's ruling Liberal Democratic Party (LDP) and opposition Japan Socialist Party (JSP) on Tuesday began a first joint meeting with their Workers' Party of Korea counterparts at a parliament building in Pyongyang.

Former Deputy Prime Minister Shin Kanemaru, chief of the LDP delegation, and JSP Vice Chairman Makoto Tanabe, who heads the JSP delegation, entered the talks with Kim Yong-sun, secretary for international affairs of the Korean Workers' Party.

Officials from the LDP mission said Kanemaru will deliver a letter from Prime Minister Toshiki Kaifu in his capacity as the LDP president apologizing for Japan's 1910-45 colonial rule of the Korean peninsula at the meeting.

Talks Proceed in Good Atmosphere

SK2509044790 Pyongyang KCNA in English
0443 GMT 25 Sep 90

[Text] Pyongyang September 25 (KCNA)—Talks between the heads of delegations of the Workers' Party of Korea [WPK] and the Liberal Democratic Party and the Socialist Party of Japan [JSP] were held here today.

Present at the talks were head of the WPK delegation Kim Yong-sun, secretary of the C.C., WPK, vice-chairman of the Foreign Affairs Committee of the Supreme People's Assembly (SPA) and deputy to the SPA, head of the LDP delegation Shin Kanemaru, former deputy prime minister and member of the House of Representatives, and head of the JSP delegation Makoto Tanabe, vice-chairman of the party Central Executive Committee and member of the House of Representatives.

A series of matters in improving the relations between the DPRK and Japan were discussed at the talks.

The talks proceeded in a good atmosphere.

Film Depicts Struggle Against Japan's 'Tyranny'

SK2109101390 Pyongyang KCNA in English
1004 GMT 21 Sep 90

[Text] Pyongyang September 21 (KCNA)—The Korean Documentary Film Studio has recently released "Japanese Imperialists' Government-General in Korea," the second part of the documentary "History Indicts."

The documentary deals with data showing the medieval terror rule without an equal in world history enforced by the Japanese imperialists in Korea following their complete occupation of it in 1910.

The Japanese imperialists renamed the "Korean residency-general" "Korean government-general" and established a colonial rule. Terauchi, the first governor-general, proclaimed military government and set up an unheard-of gendarme-police system.

The film tells that the Japanese imperialists promulgated one evil law after another to suppress the Koreans and increased the number of the prisons across the country, published the "land survey order" and robbed peasants of their land and took away the underground resources of Korea. It displays photographs showing them burning biographies of famous patriotic generals and history books of Korea, banning Korean-language newspapers and forcing civil officials, even primary school teachers, to wear police-style uniforms with swords dangling from the girdles and data about their exhumation of the cultural assets of Korea. Thus, it strips bare the ferocious and heinous nature of the Japanese imperialists' hideous colonial rule in Korea.

The film shows the all-people anti-Japanese struggle which broke out with the eruption of the Korean people's pentup wrath and rancour on March 1, 1919. It presents materials about the daring struggle of the Korean people who unyieldingly resisted the medieval, brigandish tyranny and brutalities from the first days of the Japanese imperialist occupation.

The first part "Japanese Imperialists' Occupation of Korea" exposes that they had committed aggressive acts in a systematic way to occupy Korea.

Daily Cites Principles for North-South Talks

SK2509052190 Pyongyang KCNA in English
0513 GMT 25 Sep 90

["Principles of Talks Should Be Defined"—KCNA headline]

[Text] Pyongyang September 25 (KCNA)- NODONG SINMUN today stresses that for a successful promotion of the North-South High-Level Talks the dialogue partners should confirm their unanimous stand and views and reach an agreement on the standard and rules to keep pace with each other.

Recalling that at the first round of North-South High-Level Talks the North side put forward three prinicples to be adhered to by the two sides in the whole course of the talks and proposed discussing and confirming them before entering into discussion of the agenda to the South side, the news analyst says:

The keynote of the three principles is that the two sides should re-confirm the three principles of national reunification—independence, peaceful reunification and great national unity—laid down in the July 4 North-South joint statement, strictly observe them, put the common interests of the nation above the interests of one side in the discussion of matters and refrain from spoiling the atmosphere of the talks and doing things contrary to the progress of the talks.

The South side, however, persistently evaded reaching an agreement on the principles of the talks, saying that nobody would oppose them and the point is what should be carried into reality, and how."

In the final analysis, such act of the South side cannot be construed otherwise than intended to prevent the character of the talks from being oriented toward reunification, an intention not to discard the stance of confrontation and division of the past but to deliberately lay obstacles in the way of the talks any time.

Our judgement is confirmed by the fact that the South side is clamouring about the "unilateral entry into the United Nations" at a time when contact of the delegates of the two sides to discuss the U.N. membership of the North and the South with one seat is under way according to the agreement reached by them at the first round of North-South High-Level Talks.

Whether or not the South side accepts the principles of the talks, the basis and starting-point of the talks, will be a touchstone showing what stand and attitude it will take at the North-South High-Level Talks

Soviet Official Comments on DPRK Proposals

SK2409001990 Pyongyang Domestic Service in Korean 1200 GMT 23 Sep 90

[Text] Vladimir Petrovskiy, vice minister of the Soviet foreign ministry, gave his answer to the written question raised by the KCNA correspondent in Moscow on 21 September.

He said the Soviet Union feels that the question of UN membership of the divided countries should be settled, for various reasons, in view of their interests, and this is entirely related to Korea.

He said: Concerning the period of the entry into the United Nations and the form of its membership, we mainly proceed from the view that an agreement should be reached between the North and the South of Korea. One of the ways of solving this problem is single UN membership for the North and the South of Korea proposed by the DPRK.

The Soviet Union hopes that the North and the South of Korea will seek a form which can be mutually acceptable in the course of dialogue between the two sides in the future and will reach an agreement on the entry into the United Nations. The Soviet Union is ready to support any decision agreed upon between the North and South of Korea on UN membership.

Concerning the issue of withdrawal of foreign troops, he stated that it is a well known fact that the Soviet Union is, in principle, opposed to the presence of foreign troops in territories of other countries. He pointed out that the Soviet Union invariably supports the proposal of the DPRK to put an end to the presence of the foreign forces in Korea, cut the armed forces of the North and the South and ease the military and political confrontation. We consider it necessary to increase efforts for deepening mutual trust between the North and the South of Korea and create a condition for the complete withdrawal of foreign troops from South Korea.

He noted that the proposals made by the DPRK on 31 May 1990 were constructive, the keynote of which is the limitation of military exercises and advance notification of them, discontinuation of the military exercises in which foreign troops are involved, the conversion of the Demilitarized Zone along the military demarcation line into a peace zone and the adoption of measures to prevent a casual incident.

U.S. Avoidance of 'Tripartite Talks' Denounced

SK2509050190 Pyongyang KCNA in English 0449 GMT 25 Sep 90

[Text] Pyongyang September 25 (KCNA)—A spokesman for the White House recently said the United States has neither part nor lot in the settlement of the Korean question. The U.S. authorities are often calling for "priority to inter-Korean dialogue" for the solution to the Korean question.

It means that the United States refuses to play its role, evading its responsibility for the settlement of the Korean question, a news analyst of NODONG SINMUN today says, and continues:

The United States is a party responsible for the Korean question. The Korean question was caused by the United States' occupation of South Korea and its aggressive policy toward Korea. Accordingly, the United States has an unavoidable obligation in the settlement of the Korean question.

The sine qua non for the settlement of the Korean question is to put an end to the U.S. imperialists' occupation of South Korea, the root cause of this question, and convert the state of armistice left by the Korean war of aggression started by the United States into a durable peace and create a climate favourable to the independent and peaceful reunification of Korea.

In a word, the United States' cry for "priority to the inter-Korean dialogue" and "principal role of the North and the South" in dialogue shows that the United States is not interested in DPRK-U.S. talks for the settlement of the Korean question. This only reveals its true intention to persistently pursue its aggressive design on Korea, while keeping its forces and nuclear weapons in South Korea and leaving the Korean question unsolved.

The United States can never evade the responsibility for the Korean question. It must relinquish the theory about "priority" and "principal role" and accept our proposal for tripartite talks.

Students To Send Delegates to Panmunjom 25 Sep

SK2409105890 Pyongyang Domestic Service in Korean 0816 GMT 24 Sep 90

[Letter of Korean Student Committee addressed to General Student Associations of Yonsei and Korea Universities in South Korea]

[Text] To the General Student Associations of Yonsei and Korea Universities:

Dear fellow students at Yonsei and Korea Universities: On behalf of all youths and students in the northern half of the Republic, the Korean Student Committee is extending warm fraternal greetings and is sending this letter to you, fellow students, and all fellow students in the South, who are struggling and devoting your all on the road of patriotism and national reunification.

Today when the spirit of reunification—which strives to put an end at the earliest possible date to the misfortune and sufferings of national division, which have continued for a long time —is becoming unprecedentedly strong, the General Student Associations of Yonsei and Korea Universities have invited graduates of the two universities residing in the northern half of the Republic and fellow students from Kim Il-song University to participate in the two schools' national liberation festival which is slated for 10-13 October. We sincerely appreciate this invitation and accept with pleasure.

The fact that fellow students at Yonsei and Korea Universities, who have always taken the initiative in responding to the call of the times and the nation, playing the leading role in the movement for national reunification, have called fellow students in the North to come to your schools' plazas which are seething with the spirit of democracy and reunification is a clear expression of your innermost feelings of patriotism to struggle for national reunification. It is, therefore, an exemplary act which deserves welcome not only from fellow countrymen, but also from all youths and students in the North and the South.

The minds of all youths and students in the northern half of the Republic, let alone fellow students at Kim Il-song University who have received the invitation from the General Student Associations of Yonsei and Korea Universities, are now looking forward to the day when they can hold fellow students in the South—whom they have missed for a long time—with deep emotion in the plaza of reunion. When youths and students in the North and the South gather in one place, hold heated discussions about the mission that our new generations have shouldered on the road of independence, democracy, and reunification, and hold soccer matches of friendship between fellow students in the North and the South, this will not only bestow a new bright hope of national reunification upon our fellow countries who have lived divided for nearly half a century, but also will vigorously encourage and inspire the grand march of reunification of the entire nation.

Sharing the same will with you, fellow students, the Korean Student Committee—which has highly valued your struggle as the struggle for patriotism and reunification, while sharing joys and trials with fellow students in the South—will, as proposed by you, send to Seoul representatives of those who have been graduated from Yonsei and Korea Universities and representatives of students at Kim Il-song University and other fellow students in the northern half of the Republic and will lead them to participate in a seminar on national reunification and soccer matches during the period of the national liberation festival of Yonsei and Korea Universities.

For us who have the same will and minds, no complicated procedures are necessary in doing good things for the fatherland and the nation, and there will be no fear of any obstruction by a handful of splittists.

Accepting your organizations' proposal to hold talks of working-level representatives to discuss practical business affairs, the Korean Student Committee will send our side's five-man delegation for working-level talks to the conference room of the Neutral Nations Supervisory Commission in Panmunjom at 1100 [0200 GMT] on 25 September. Our meeting will be realized without fail.

24 September 1990

Choe Hyon-tok, chairman of the Korean Student Committee, Pyongyang

Koreans in Japan Hold Activists' Meeting

SK2409103790 Pyongyang KCNA in English 1007 GMT 24 Sep 90

[Text] Pyongyang September 24 (KCNA)—The federation of South Koreans in Japan for Democracy and Unification (Handongnyon) held a national meeting of activists in Tokyo on September 9 to review the achievements of the pan-national rally and discuss the future tasks for national reunification, the Koreans' newspaper MINJOK SIBO published in Japan reported.

The meeting noted that the successful pan-national rally opened a new phase in the reunification movement and dealt a heavy blow at the separatist forces by realising a historic civilian-sponsored independent North-South exchange through the frustration of the South Korean authorities' policy of "unified channel of dialogue" and firmly built up the driving force to reunify the country in the 1990s by inaugurating the pan-national alliance for reunification, a permanent organization of the reunification movement, and that the overseas Koreans movement occupied a definite position as the driving force of the reunification movement through the struggle to realise the pan-national rally.

The meeting discussed the future tasks for the work of letting many people have a correct understanding of the success of the pan-national rally, the formation of the Japan headquarters of the pan-national alliance for reunification, the abolition of the "National Security Law" and the release of the imprisoned messengers of reunification who visited the North, the frustration of the separatist confrontation-oriented policy such as "unilateral entry into the United Nations" and the promotion of great national unity and reconciliation, before adopting them as a resolution with unanimous approval.

Vietnamese Delegation Arrives for Meeting

SK2409110190 Pyongyang KCNA in English 1040 GMT 24 Sep 90

[Text] Pyongyang September 24 (KCNA)—A Vietnamese Government delegation headed by Tran Lum, minister of heavy industry, arrived here today to attend the second meeting of the Inter-Governmental Committee of Economic and Scientific-Technological Cooperation between the DPRK and Vietnam.

It was met at the airport by Kye Hyong-sun, minister of machine industry, and Nguyen Van Trong, Vietnamese ambassador to Korea. The Administration Council gave a banquet for the delegation in the evening.

Importance of Unified, Detailed Planning Stressed

SK2409152690 Pyongyang KCNA in English 1500 GMT 24 Sep 90

[Text] Pyongyang September 24 (KCNA)—NODONG SINMUN today comes out with a signed article contributed by Dr. Kim Ha-kwang on the 25th anniversary of the publication of the immortal classical work "To Give Full Play to the Great Vitality of the Unified and Detailed Planning of the National Economy" by the respected leader President Kim Il-song on September 23, 1965.

The article says:

The work, proceeding from the significance and importance of planning in the guidance for and management of the national economy and in socialist economic construction, gives a profound, comprehensive and scientific exposition of the theoretical and practical problems arising in planning work such as the essence of socialist planning and its function, ways for its realization and the principle and method of working out plans based on the mass line and the position and role of planning bodies and planning officials.

The great leader Comrade Kim Il-song taught:

"As we always point out, planning is one of the key issues which influence the success of socialist economic construction."

The great leader expounded the essence of planning for the first time in history with man at the centre so that a precondition was provided to elucidate a theory of planning of chuche.

In the work he provides a definite guarantee of keeping balance, the key issue in planning, by indicating the principle of mapping out a plan that embodies the the mass line.

Fully reflected in the principle of working out a plan indicated by the great leader is the revolutionary and scientific stand of solving the balance problems, the key issue in planning, in reliance on working masses and by means of enhancing their role from the view of chuche that it is none other than producer masses who work out and carry out plans.

With an explicit exposition of the unified and detailed planning, the great leader made it possible to adhere to the revolutionary principle of the working class and bring the advantages of socialism into full play.

As was taught by the great leader, the unified planning means that the state planning bodies and the planning cells across the nation make up a single planning system so as to thoroughly ensure complete unity of the national economic plan under the unified guidance of the state.

The detailed planning means guaranteeing the balance of the national economy as a whole to suit the party's policy and objective situation and, at the same time, working out a concrete and detailed plan, with the management activities of all units, all factories and enterprises coming into full gear to the minutest detail.

The unified and detailed planning enhances the position and role of working masses responsible for planning by applying the great chuche idea and mass line so as to overcome all sorts of deviations state planning officials are liable to commit and this and that defect which may be shown by producers, strengthen unity of the superior and the subordinate and cooperation based on comradeship and push ahead with the national economic planning more satisfactorily from the stand of the state.

This tells that the unified and detailed planning is the most superior socialist planning system and method of our style which properly combine the unified guidance of the state with the local creativity and thoroughly implement the Chongsanri method and the Taean work system, as it embodies the principle of socialist economic guidance and management in the work of the national economic planning.

The unified and detailed planning of the national economy is a unique theory of socialist planning which rounded off the system and method of the national economic planning in conformity with the nature of socialist system in which the leader, the party and the masses are integrated as a socio- political organism and the collective principle. It is also a powerful weapon the party and state of the working class should firmly adhere to for thoroughly maintaining the revolutionary principle and giving full scope to the superiority of socialism.

The socialist planning theory elucidated in the work has been further developed and enriched and its truth and validity bear fine fruit in the practice of economic construction thanks to the outstanding ideological and theoretical activities and under the wise leadership of dear Comrade Kim Chong-il who is faithful to the far-reaching plan and noble intention of the great leader.

'Great' Economic Achievements Recorded

SK2109151390 Pyongyang KCNA in English 1500 GMT 21 Sep 90

[Text] Pyongyang September 21 (KCNA)—The working people in different sectors of the national economy of Korea are making great achievements with the approach of the 45th anniversary of the founding of the Workers' Party of Korea.

The Musan mining complex increased the amount of scraped earth 14.3 percent and the output of iron headings 24.6 percent in the recent 15 days as against the same period last month.

The Komdok mining complex created seven more promising underground cutting faces over the last three months, making it possible to increase the nonferrous metal ore output by hundreds of thousands of tons.

The Hwanghae iron and steel complex boosted the output to 121.7 percent at the large blast furnaces, to 277.5 percent at the blooming mill, to 131.4 percent at the plate shop and to 168.3 percent at the wire production unit in recent ten days as against the same period last month.

The Sunchon cement complex produced 115,000 more tons of cement in the January-mid September period than in the same period last year.

Over the last ten odd days, the February 8 vinalon complex lifted the vinalon output 80 percent as against the corresponding period last year. The Hochongang and Changjingang power stations daily carry out the monthly power output quotas 4 to 4.7 percent. New innovations are being reported from the machine, railway transport, light industry and other sectors.

Production, Construction Rises in North Hamgyong

SK2409220590 Pyongyang KCNA in English 1515 GMT 24 Sep 90

[Text] Pyongyang September 24 (KCNA)—Working people in North Hamgyong Province are bringing about an upsurge in production on the threshold of the 45th anniversary of the founding of the Workers' Party of Korea (October 10).

The gross industrial output value of the province in recent 20 odd days was 15 percent up on the same period of the previous month.

Entering September, the Kim Chaek iron and steel complex has pushed ahead with the construction of a new furnace at fast speed, while lifting the daily output of rolled steel 1,500 tons as against the same period last year.

In this period the Songjin steel complex boosted steel output 11.5 percent and rolled steel output 27.6 percent and various mining areas of the Musan mining complex registered a 50 percent gain in iron headings above the same period of the previous month.

The May 10 factory has increased 50 percent the speed of the processing and assembling of mining equipment such as coal cutters, winches and conveyors suitable to the coal beds of the country.

The North Hamgyong provincial shipbuilding complex is topping its daily plans 20 percent in rounding off many ships including a 14,000-ton cargo ship and 3,750-ton stern trawler launched this year and in the construction of modern conveyer line to massively build large cargo vessels including 20,000-ton ship.

Innovations are being effected in coal and chemical fibre production.

The northern district general bureau of coal industry keeps coal production going on a high level by introducing rational excavating methods, while stepping up the construction of coal mines to create an additional production capacity of millions of tons.

Entering September, it has boosted coal output 20 percent above the like period of the previous month by creating some 20 more new mechanized coal cutting faces. Success has been registered in the work of building 70 hectares of vegetable greenhouse by using waste heat of the Chongjin thermal power plant simultaneously with scrupulous organisation of production and supply of agricultural medicines and fertilizers necessary for augmenting farm products including grain, vegetables and tobacco.

All these successes are results of the work for implementing a programmatic tasks recently given by the great leader President Kim Il-song for the development of the national economy and improvement of people's living in the province during his on-the-spot guidance to the province.

Signed Article Extols WPK's Ties With Masses

SK2509054390 Pyongyang KCNA in English 0524 GMT 25 Sep 90

["WPK Is an Invincible Revolutionary Party Which Maintains Close Ties of Kinship With the Masses of People"—KCNA headline]

[Text] Pyongyang September 25 (KCNA)—NODONG SINMUN Monday carried a signed article under the title "Our Party is an Invincible Revolutionary Party Which Maintains Close Ties of Kinship With the Masses of People".

Thanks to the solid unity between the party and the people which no force can shake, the might of our party is strong as today and the future of our socialism is very bright, the article said, and went on:

It is one of the greatest achievements made by the Workers' Party of Korea in accomplishing the cause of the building of a party of a chuche type and the revolutionary cause that it maintains close bonds of kinship with the popular masses.

Dear Comrade Kim Chong-il said:

"Our party has been strengthened and developed into a revolutionary party which advances, united with the masses, and a militant party which has taken deep root in them and enjoys their unreserved support. This is one of the most precious successes achieved in the building of a revolutionary party of a chuche type."

That a party of the working class maintains a solid unity with the masses is a question of key importance in building and completing a socialist and communist society.

Today the hysteric anti-socialist moves of the imperialists are directed to divorcing the party from the people and undermining the political foundations of socialism.

Only when a working class party takes deep root in the masses and strengthens its ties with them constantly can it defend revolution from imperialists' anti-socialist moves.

The glorious 45-year long history traversed by the Workers' Party of Korea is a proud history in which it advanced the revolution and construction to a victory by always uniting with the people and mobilizing their inexhaustible strength.

The main feature of our party activities in steadily consolidating and developing the ties of kinship with the masses is above all, found in the fact that it regards the masses of people as the most powerful beings and devotedly serves for their interests.

Our party's stand toward and view of the people are deep trust with which it finds the key to the solution of all the problems in the masses and puts them up as the undertakers and masters of the revolution and construction, a firm conviction that there can be nothing impossible to do if, relying on the people, it mobilizes their immense strength and a firm will to accomplish the cause of revolution, sharing sweets and bitters with them to the last.

Its main feature also finds itself in the fact that the whole of the party always adheres to the revolutionary principle of going among the masses.

Our party advances in the van of the masses, sharing life and death with them. This is a work style peculiar to our party.

Its main feature also lies in the fact that the party skillfully conducts the work to educate and organize the people of all strata forming a society.

The emblem of our party bearing a hammer, a sickle and a writing-brush shows that it is the party of the working masses.

The closest and strongest single-hearted unity of our party and people based on the bonds of kinship, the great unity ever in history, is a most precious success incomparable with any socio-economic change and any signal scientific and technological achievement.

South Korea

Foreign Minister To Meet Soviet Counterpart

SK2109131790 Seoul YONHAP in English 1307 GMT 21 Sep 90

[Text] Seoul, Sept. 21 (YONHAP)—South Korean Foreign Minister Choe Ho-chung will meet with Soviet Foreign Minister Eduard Shevardnadze on Sept. 30 in New York, presidential spokesman Yi Su-chong said Friday. "Foreign Minister Choe is scheduled to hold the first (South) Korean-Soviet foreign ministers talks with Eduard Shevardnadze in New York on Sept. 30," the spokesman said, emerging from a meeting during which Choe briefed President No Tae-u on his planned talks with the Soviet minister.

Choe will leave for New York on Sunday to participate in the U.N. General Assembly and to hold the foreign ministers' talks, Yi said. The spokesman said No handed out directives regarding the foreign ministers talks to Choe but declined to bear [as received] what they were. Diplomatic observers here say Choe will deliver President No's personal letter to Soviet President Mikhail Gorbachev to Shevardnadze.

The two ministers will wrap up preparations for the establishment of diplomatic ties during their get-together, they say. Choe will also convey No's wish to visit the Soviet Union within this year and to see Gorbachev come to Seoul early next year.

Meanwhile, Munhwa Broadcasting Company (MBC), the second largest TV-radio network in South Korea, reported Friday evening that the two governments would sign a protocol relating to establishment of diplomatic relations in Moscow in November and that South Korea agreed to provide 2.3 billion dollars in loans to the Soviet Union.

May Agree on Diplomatic Ties

SK2509053190 Seoul YONHAP in English 0519 GMT 25 Sep 90

[Text] New York, Sept. 24 (OANA-YONHAP)—The foreign ministers of South Korea and the Soviet Union are likely to initial a protocol of agreement on normalizing diplomatic ties when they meet in New York on Sept. 30, a Korean diplomatic source said Monday.

Korean Foreign Minister Choe Ho-chung and Soviet Foreign Minister Eduard Shevardnadze will agree to open full diplomatic ties between their nations and may announce it by initialing a protocol of agreement in their New York meeting, said the source, who declined to be identified. "It has already been decided that the announcement on establishing diplomatic ties between South Korea and the Soviet Union will be made (at the foreign ministers' talks)," the source said. "The problem is deciding the earliest possible date of opening full ties before the protocol of agreement is initialled," he said.

The source said the timing may be articulated in a concrete expression such as "within October, November or this year," or using more comprehensive words such as "at the earliest date." "South Korea's basic position is that it wants the normalization of diplomatic ties to take place at the earliest possible date and that President No Tae-u should visit the Soviet Union this year," the source said.

Choe talked about the prospects for his unprecedented meeting with Shevardnadze to Korean correspondents in New York earlier in the day, but declined to be specific. "This meeting is to discuss establishing diplomatic ties," he said. The foreign minister said the question of opening full ties would be settled in accordance with the outcome of his discussions with the Soviet foreign minister and quoted Shevardnadze as saying, "establishment of diplomatic ties is the matter to be discussed in the meeting of the two foreign ministers."

Choe also noted that No and Soviet President Mikhail Gorbachev agreed in their historic summit meeting in San Francisco on June 4 that discussions on diplomatic ties and on economic cooperation between Seoul and Moscow should proceed simultaneously. Korea and the Soviet Union have initialed agreements on trade and on aviation and are expected to soon initial four more accords, on science and technology cooperation.

On relations between Korea and China, Choe said the Beijing Asian Games could bring substantial progress in bilateral ties, noting that Korea has actively provided assistance and cooperation for the success of the Asiad in the Chinese capital. Choe also said he may have a chance to meet with Chinese Foreign Minister Qian Qichen in New York during the U.N. General assembly. If he meets with Qian, Choe said, he will discuss the development of relations between Seoul and Beijing.

Impact on N-S Relations Viewed

SK2509073390 Seoul SEOUL SINMUN in Korean 23 Sep 90 p 2

[Editorial: "Establishment of ROK-Soviet Diplomatic Relations and North and South Korea"]

[Text] As the relations between the ROK and the Soviet Union have gradually improved to the extent that formal diplomatic relations will be established, the relations between the Soviet Union and North Korea, it appears, have turned uncomfortable. We do not think that this would pose any real obstacle to the development of the ROK-Soviet relations at this time, when the ROK and the Soviet Union will soon establish diplomatic relations. However, it is necessary for us to pay attention to what influence the uncomfortable relations between North Korea and the Soviet Union will exercise upon stability on the Korean peninsula and the relations between North and South Korea.

We must again think how the Soviet Union has approached the ROK. We must know that, according to its overall Asian strategy and, ultimately, its global strategy, the Soviet Union has developed its relations with the ROK in step with changes in Northeast Asia. We must realize the Soviet Union's basic stand in order to correctly understand how important it is for the ROK and the Soviet Union to establish diplomatic relations.

Likewise, we must realize North Korea's basic stand in order to understand its view on the establishment of diplomatic relations between the ROK and the Soviet Union. The Soviet Union will think that North Korea itself has invited its uncomfortable relations with the Soviet Union. The Soviet Union has said that its policy toward North Korea has helped expand dialogue between North and South Korea and alleviate tension on the Korean peninsula. Conscious of the Soviet Union's stand, we, in return, have promoted our relations with the Soviet Union.

Therefore, North Korea must not think that the ROK and the Soviet Union are moving toward establishing diplomatic relations in an effort to corner and isolate it. The improved relations between the ROK and the Soviet Union are also progress, in that they will help open North Korea and probe for means of achieving peaceful coexistence and cooperation through reconciliation and cooperation among countries in our region. The ROK has sought to establish diplomatic relations with the Soviet Union not merely as part of its policy of achieving "superiority over the North." Rather, we would like to use the future establishment of diplomatic relations between the ROK and the Soviet Union and between the ROK and China—the fruits of our northern policy—as leverage to solve the Korean peninsula problem.

The establishment of diplomatic relations between the ROK and the Soviet Union is of particular importance in view of the possibility that it will determine the ROK's new position in the post-cold war era. Discussions on reunification between North and South Korea before and after the ROK and the Soviet Union establish diplomatic relations will differ. It will be difficult for North Korea to avoid establishing certain relations with South Korea if the ROK and the Soviet Union establish diplomatic relations. When the relations as partners are consolidated between North and South Korea, we will be able to expand our political and social horizons, and North Korea will surely undergo changes. This is why the establishment of diplomatic relations between the ROK and the Soviet Union will restructure the existing order on the Korean peninsula.

From an economic perspective, the establishment of diplomatic relations between the ROK and the Soviet Union will open a new chapter in the 30-year history of our economic modernization. We have decided to give economic assistance to the Soviet Union because it was necessary to do so in terms of the international political situation and our northern policy. However, we must know that our economic assistance will expand the sphere of our economy.

People once said that the Soviet Union was approaching the ROK in an effort to influence Japan. However, the opposite is also true because the relations between the ROK and the Soviet Union may help remedy the imbalance in the relations between the ROK and Japan.

The world, which pays attention to changes in the situation on the Korean peninsula, appears confident that North Korea will change. It is said that instead of outrightly resisting external pressures, the North Korean authorities will accept external changes by gradually opening its doors.

The establishment of diplomatic relations between the ROK and the Soviet Union will lead North Korea to deal with external pressures. Seizing the establishment of diplomatic relations between the ROK and the Soviet Union as an opportunity, North and South Korea must step forward to concretely resolve pending issues. Alleviating tension on the Korean peninsula is in the interests of the superpowers in our neighborhood and, at the same time, our nation's earnest desire. The establishment of diplomatic relations between the ROK and the Soviet Union is all the more important from this perspective.

No Tae-u Seeking Official Invitation to USSR

SK2209074890 Seoul YONHAP in English 0612 GMT 22 Sep 90

[Text] Seoul, Sept. 22 (OANA-YONHAP)—South Korean President No Tae-u is seeking an official invitation to visit the Soviet Union this year if the foreign ministers of the two nations agree the establishment of diplomatic relations Sept. 30 in New York. Foreign Minister Choe Ho-chung told reporters Saturday that exchange visits by the top leaders of the two countries could be set up if a time table for establishing diplomatic ties is agreed on in his talks with Soviet Foreign Minister Eduard Shevardnadze.

Korean press reports had said No would seek to visit Moscow following normalization of diplomatic ties.

"The talks could handle the issue of bilateral economic cooperation, including its basic direction, scope and the positions of the two governments. But details will be dealt with in depth at the meeting of government delegates scheduled for Seoul next month," Choe said before leaving for New York to attend the U.N. General Assembly. The get-together by Choe and Shevardnadze will mark the first such talks between Seoul and Moscow, which was a strong supporter of North Korea until recently.

Choe said it was South Korea's intention not to apply for unilateral U.N. membership during the General Assembly session. "I think it would be proper to decide our position after further talks with North Korea, though the North's idea of sharing a single seat has scant chance of success," Choe said.

Touching on the U.S. request for Seoul to share the defense burden in the Persian Gulf, Choe said, "discussion is under way between related agencies of the two governments in our hope to support the U.N. Resolution imposing sanctions against Iraq and to participate in international efforts to do so. The details of the scope and size of our assistance will probably come out this month."

On the annual "Team Spirit" Korea-U.S. military drill, he said the South could show flexibility in reducing its size if the North behaves in inter-Korean relations and reiterated that it is a defensive exercise not offensive. He also noted that the government has invited North Korea and China send observers to the drill to verify its defensive character.

Choe made it clear he has no plan to meet with his Chinese counterpart while in New York. "I can perhaps see him at a dinner party for Asian foreign ministers set for Sept. 27 in the United Nations," Choe said.

No To Visit Moscow in November

SK2209042590 Seoul THE KOREA TIMES in English 22 Sep 90 p 1

[Text] President No Tae-u is expected to visit Moscow toward the end of November, government sources said yesterday. No's visit to the Soviet Union will follow the establishment of diplomatic ties between Seoul and Moscow, which is to be announced by the foreign ministers of the two countries in their New York meeting Sept. 30.

The government is also pushing a plan for an exchange visit by Soviet President Mikhail Gorbachev to Seoul at the earliest possible date after No's trip to Moscow, they said. The sources said that Gorbachev may come to Seoul next May when he is scheduled to visit Japan.

President No, in the meantime, yesterday gave Foreign Minister Choe Ho-chung "significant instructions" which a presidential spokesman described are "designed to help arrange a turning point in relations between the two countries." Choe, with the President's guidelines, will meet his Soviet counterpart Eduard Shevardnadze for the "unprecedented foreign ministers' talks" at the United Nations Sept. 30. He will leave for New York City tomorrow. Choe will convey to Shevardnadze a letter of No to Gorbachev, they said. However, spokesman Yi Su-chong declined to elaborate on the instructions.

"What I can say for now is that President No, who has the final say on diplomatic policies, gave his decision," he said. The sources analyzed that No certainly ordered Choe to discuss details about the exchange visit program during the foreign ministers' talks.

The exchange visits between the two heads of state has been promoted by the government since No and Gorbachev held a historic summit in San Francisco on June 4. On the occasion of the Moscow trip, No will visit Eastern European countries, including Poland and Yugoslavia, which opened diplomatic links with South Korea this year, they said. No is also considering adding a Scandinavian nation to his Eastern European tour itinerary.

Appointment of First Soviet Ambassador Announced

SK2509091090 Seoul CHUNGANG ILBO in Korean 25 September p 1

[Report by correspondent Pak Chun-hyong from New York]

[Text] It was learned on 25 September that just when the establishment of ROK-Soviet diplomatic relations is being seen as a certain thing before the end of this year, Kireyev, chief of the Socialist Countries of Asia Administration under the Ministry of the Soviet Foreign Affairs, was reportedly designated the first Soviet ambassador to the ROK.

Revealing that "the Soviet Union has negotiated through the ROK consular department in Moscow the question of sending the first ambassador to the ROK," a diplomatic source in the United Nations said that during such negotiations, the Soviet Union unofficially informed the department of the naming of Kireyev as the first ambassador.

Kireyev is an authority on China; he had worked in a Soviet mission in China for 15 years and is a senior and professional diplomat at the same level as Chizhov, the current Soviet ambassador to Japan.

In the meantime, revealing that "the government has not received any information in connection with this," an official of the government commented that "if an important person like Kireyev is appointed as first ambassador to the ROK, it has significance in the Soviet relations with South Korea and its policy toward North Asia."

Developments in DPRK-Soviet Relations Analyzed

SK2109101490 Seoul CHUNGANG ILBO in Korean 20 Sep 90 p 3

[Report by An Song-kyu]

[Text] The fact North Korea disclosed the contents of discussions conducted during the North Korean-Soviet foreign ministers' talks is very significant because this has made public for the first time the North Korean-Soviet conflict over the establishment of diplomatic relations between the ROK and the Soviet Union.

The North Korean-Soviet conflict so far has been expressed indirectly through the press, but North Korea chose to take this unprecedented step of disclosing the talks' contents, apparently prompted by its judgment that it has done everything short of this.

One can draw this conclusion because the disclosure of the memorandum came after the rupture in the North Korean-Soviet foreign ministers' talks and after the Soviet Union informed North Korea it plans to establish diplomatic relations with the ROK. Furthermore, since the disclosure of the memorandum was made with the ROK-Soviet foreign ministers' talks in New York imminent, North Korea appears to have decided to express its position most forcefully, rather than to continue trying to stop the now inevitable talks.

Therefore, seeing that North Korea's disclosure of the memorandum is the ultimate step it had to take, we can predict that the Soviet Union and North Korea may publicly argue over Korean reunification.

It seems unlikely, however, that this conflict will lead to a rapid cooling of relations between North Korea and the Soviet Union, or to the severing of diplomatic relations. It is possible to say this because the memorandum was carried by MINJU CHOSON, a North Korean State Administration Council organ which is one step lower than NODONG SINMUN. Also, because North Korea—which saw signs indicating the establishment of diplomatic relations between the ROK and the Soviet Union as early as 6 July this year—let the North Korea-Soviet alliance treaty be renewed automatically when it could have abolished the treaty unilaterally.

It will be practically impossible for North Korea to turn away easily from the Soviet Union, its closest political and economic ally to date. Therefore, it is likely North Korea will try to reduce its dependence on the Soviet Union and make limited efforts to improve its relations with the United States and Japan, stopping short of cross recognition.

The clause in the memorandum which says North Korea "will have to provide itself with arms on its own" is interpreted to express North Korea's revulsion to the disarmament and international nuclear verification called for by the Soviet Union, and to mean North Korea is not willing to comply at present with a Soviet-initiated formation of a new order in the Asia-Pacific region.

Despite the thaw in the Asia-Pacific region's political order, however, North-South disarmament will not be easy. Furthermore, if North Korea feels it is being outdone, it might take to arming itself on its own, including nuclear arms, thereby aggravating tension for a long while in North-South relations and the Northeast Asian order.

Government Discusses Plans for Pyongyang Talks

SK2109122090 Seoul CHUNGANG ILBO in Korean 21 Sep 90 p 1

[Text] Prime Minister Kang Yong-hun chaired a meeting attended by delegates to the North-South High-Level Talks, including Unification Minister Hong Song-chol, Foreign Minister Choe Ho-chung and Defense Minister Yi Sang-hun. The meeting was held on 21 September at the prime minister's official residence in Samchong-tong. The participants discussed measures for the Pyongyang talks slated for 16 October.

During the meeting they reviewed what the North Korean side presented as urgent issues, including the North and South entering the UN with a single seat, the end of the "Team Spirit" exercises, and the release of those who are in prison for visiting the North. It has been learned they discussed measures for developing the high-level talks into a North-South summit.

Because the working-level talks are being held between the North and South on separate UN entry, the government decided to withhold discussion of this issue while the talks are taking place. But they will continue external propaganda activities to promote simultaneous entry.

Unification Board Evaluates North's Economy

SK2509065990 Seoul YONHAP in English 0634 GMT 25 Sep 90

[Text] Seoul, Sept. 25 (YONHAP)—North Korea's gross national product (GNP) was 21.09 billion U.S. dollars last year, about a tenth of South Korea's 210.1 billion dollars, the National Unification Board said in a report Tuesday. The Board's evaluation of the economies of the two halves of Korea estimated per capita GNP in North Korea at 987 dollars, barely a fifth of South Korea's 4,968 dollars.

The communist economy expanded 2.4 percent last year, down from 3 percent in 1988, while South Korea's economy grew 6.7 percent, down from 12.1 percent. It said trade volume fell 8.6 percent and the North had a trade deficit of 900 million dollars. Exports were 1.95 billion dollars and imports 2.8 billion dollars. South Korea had a 4.6 billion dollars surplus with exports of 61.41 billion dollars and imports of 56.81 billion dollars.

The Board estimated Pyongyang's foreign debt at 6.78 billion dollars, increased by trade deficits and arrears on interest payments. Seoul's total foreign debt was 26.4 billion dollars as of the end of 1989.

North's Korea's harvest jumped 5.2 percent to 5.48 million tons, including 2.16 million tons of rice and 2.68 million tons of maize, but it imported over 800,000 tons of food to meet a chronic shortage, the report said. Despite facility expansion in the mining sector, the factory operating rate was 45 percent because of insufficient energy and materials.

"Last year, the North Korean economy registered its lowest growth rate since 1986," a Board official said. "That's because of wasteful spending for political purposes during the world youth festival in Pyongyang and an overall production slump in the manufacturing sector caused by a chronic lack of energy and materials." He said inefficient planning, a closed social system that causes poor international economic cooperation, and excessive military spending were the root problems of the North Korean economy. "The quality of life grew worse because they insisted on the same ratio of military spending despite sluggish production and a slower growth rate," the official said.

Choe Addresses Military Balance, UN Membership

SK2409120190 Seoul SEOUL SINMUN in Korean 23 Sep 90 p 1

[Text] Foreign Minister Choe Ho-chung will leave for New York on 23 September to attend the 45th UN General Assembly session. While there, he will hold the first official talks with Soviet Foreign Minister Eduard Shevardnadze on 30 September. During the talks the two foreign ministers will finalize a detailed schedule and procedures for normalizing relations between the two countries and issue them in a joint public statement.

In a meeting with reporters on 22 September prior to his departure, Minister Choe said: "If, and when, North Korea takes a step toward changing its present offensive military deployment to a defensive one, and, consequently, military confrontation on the Korean peninsula is removed, we could consider reducing the size of the 'Team Spirit' ROK-U.S. joint military exercise or conducting it in alternate years."

The foreign minister added: "North Korea's insistence on entering the United Nations with a single seat is unrealistic. But, as to whether or not we should submit our request for UN entry during the current General Assembly session, we will make that decision based on the results of the North-South working-level contacts."

N-S Student Contact Prevented at Panmunjom

SK2509070390 Seoul YONHAP in English 0646 GMT 25 Sep 90

[Text] Seoul, Sept. 25 (YONHAP)—South Korean students were barred from meeting North Korean students at the truce village of Panmunjom Tuesday for working-level talks on holding a campus festival in Seoul.

The student councils of Korea and Yonsei Universities, Korea's leading private schools, have invited alumni living in the North and students at Kim Il-song University to attend their annual joint campus festival, set for Oct. 14.

The Kim Il-song University Student Committee accepted the invitation and requested a meeting with representatives of the southern students at 11 a.m. on Tuesday at Panmunjom.

"The South Korean student bodies had not made a written request to invite North Korean students as is required by law, so an inter-Korean student contact was naturally impossible at this time," a spokesman for the National Unification Board said.

North Korean at Asiad Stresses Reconciliation

SK2409115690 Seoul TONG-A ILBO in Korean 21 Sep 90 p 11

[Article contributed by Choe Song-kil (50, false name), director of a local sports department under the Korean Physical Culture and Sports Guidance Committee, who currently is staying at the athletes' village in Beijing as a member of the North Korean team]

[Excerpts] The Asian Games this time are more significant than ever before, in that the desire for reunification is mounting with the North-South High-Level Talks, in that we will be free to talk with the South Korean athletes and persons concerned about the future of the nation, and in that—what is still better—our old friend China hosts the games.

[Passage omitted]

Our athletes are in good condition. At present, they will achieve their expected goals if they make no mistakes. We have been concerned because we have many new athletes in hockey and softball and other teams, who have no experience in participating in international games. We appreciate their keeping in good condition.

There is much discussion about how many gold metals the Republic will win. The South Korean sports committee and newspapers think that the Republic will get 22-25 gold medals. I do not understand why they think so. In fact, we cannot be sure how many gold medals we will get. However, we believe that new athletes whose names are not well known will do their utmost to glorify the honor of the fatherland. Judging from a ranking in Pyongyang, they will be able to get at least 35 gold medals.

Through the South Korean newspapers in Pyongyang, I knew that South Korea sets its target to be second by getting 65 gold medals, thus beating Japan. South Korea should get more gold medals and should beat Japan without fail.

If we formed a North-South single team, we would beat China and demonstrate the mettle of the Korean people to the world. South Korea may put forward another reason. It was the South side that ruptured the sports talks in the long run. The South side should never again commit such a mistake.

We clearly witnessed that Chinese and Taiwan athletes met each other in a Beijing hotel and enjoyed themselves in a great banquet. Singing and dancing together, they demonstrated that they are one nation. We should cherish deep in our hearts this example, so as not to hand down our divided fatherland to our descendants.

Even though we are one nation, we have been the enemy to each other and have fought against each other. We should now give up such an attitude. It is high time that we give up the emotion of bitter division.

Our Republic's athletes will regard South Korean athletes as our athletes, and as one nation linked by the same blood. In addition, we will vigorously cheer them. Our athletes should cheer South Korean athletes when they have a game against China because we are one nation.

Now, we take a first step for reconciliation. A young bud just came out. Let us, the North and the South, make every effort to raise this bud into a big tree, whose shade can connect the bisected midsection of the Korean peninsula.

DPRK Cement To Be Bought Via Third Country

SK2109015390 Seoul YONHAP in English 0142 GMT 21 Sep 90

[Text] Seoul, Sept. 21 (YONHAP)—South Korea is trying to buy North Korean cement through a go-between to partly make up for domestic shortages, Trade and Industry Minister Pak Pil-su said Thursday.

Pak told the National Assembly Trade and Industry Committee that the shortage of cement is expected to reach 1 million tons by the end of the year due to a construction boom as well as to production losses caused by damage from massive floods early this month. The government will increase imports of cement, including from North Korea, to meet domestic demand, he said. Some South Korean cement firms signed contracts to buy 120,000 tons of North Korean cement through a third party in the summer, and 5,000 tons has so far been delivered, Pak said.

The North halted shipments without giving a reason after the South Korean media carried reports on the deal, he said. He said the cement firms revived plans to import cement from the North after the massive floods hit Seoul and the central part of the nation to meet surging domestic demand. He declined to give the assembly panel further details in open-door session.

No Tae-u Interviewed on Foreign, Domestic Issues

SK2409082190 Seoul CHUNGANG ILBO in Korean 22 Sep 90 p 3

[Special interview with President No Tae-u by Song Pyong-uk, editor in chief of CHUNGANG ILBO, on the 25th anniversary of the founding of CHUNGANG ILBO, on 22 September in Seoul]

[Text] [Song] Mr. President, as of last August, half of your term of office has passed and you are now serving the second part of your term. Are you optimistic that you can easily carry out the rest of the work that you hope to achieve as president during the rest of your term?

[No] I believe that the early nineties is a turning point for our country, when we move toward being a democratic, advanced country and a reunified one. Considering the great changes at home and abroad, I believe that reunification can also be achieved in the nineties.

Things I have to achieve during the rest of my term of office can be summarized by the following three points. First of all, I must further develop the era of democratization, which was opened with such difficulty, so that it can take root in our society under stable conditions. Second, I must work to maintain a level of $5,000 national per capita income and continue to develop our economy, so that a prosperous advanced country can be created. Third, I must achieve results in the northern policy and by achieving maturity in the international environment, I hope to contribute to opening the path to peace and reunification on the Korean peninsula.

I am by no means underestimating the myriad difficulties and challenges that we face, but I firmly believe that during my term of office I will be able to lay a firm foundation for achieving democracy, prosperity, and reunification.

[Song] In early September, North Korea's delegation, including the premier, came to Seoul and held North-South High-Level Talks. Why do you think that the North side, which had previously avoided holding significant North-South dialogue, came to Seoul? Do you think that the North side is overcoming its existing closed line and moving toward change?

[No] I think it is too early to say that North Korea is changing. However, it is clear that North Korea is feeling pressure at home and abroad, and that it will not be possible for North Korea to refuse to change in the end.

North-South premiers' talks can be understood within this context. It is not possible for North Korea only to adhere to its original closed policy amid great reforms taking place in Eastern Europe and the Soviet Union.

China is already moving toward a line of openness and practicality in the economic field. Revolutionary changes in socialist countries are of course a great shock to North Korea politically. This is adding economic difficulties.

The North Korean premier's visit to Seoul and the official talks held can be seen as change. When I met with the North side's delegation at Chongwadae, it seemed that their attitude had become a lot more flexible. However, their aims were the same as before.

When viewing the reality that North Korea is faced with at home and abroad, I believe that North Korea will change its line in a practical and rational direction.

[Song] There is worry that our northern policy will deepen the isolation of North Korea, which will result in further worsen North-South relations. What did you say in the special message to North Korea, and what proposals did you present?

[No] Normalizing relations with socialist countries such as the Soviet Union is by no means intended to isolate North Korea. I clearly told the North Korean delegation this. We have repeatedly revealed that North Korea can improve relations with the United States, Japan, EC, and other Western countries, if North-South relations are developed, and that we are willing to assist them in this matter.

The issue of entering the United Nations is the same. Before reunification is achieved, North and South Korea must become a member of the United Nations and actively contribute to the international society. The basis of the theory that division will be adhered to if we become a member of the United Nations is not strong. If we are reunified like Germany, we can become a one-member nation.

I told the North Korean delegation that came to Seoul that we should help each other and fill each other's needs. I clearly told them that we do not want the stability of the North Korean system to be threatened, or to have North Korea fall into confusion because that will not in any way be desirable for our side either. I also clearly stated that I will gladly do anything that will be of help to either side.

[Song] Mr. President, you proposed great inter-Korean exchanges. But North Korea shows no sign of accepting this, not even a remote one. How do you think you can realize the exchanges between the North and South? What are the prospects for Pyongyang talks? And do you think you can hold a North-South summit meeting during your term of office?

[No] If North Korea finds it difficult to accept our proposal for unlimited exchange right away, I think we can start with limited ones that do not burden it. I earnestly told the North side to let at least aged separated people meet their dear family members and relatives before they die.

Exchange of friendship sporting events between the North and South hosted alternatingly by the two sides will contribute to promoting national reconciliation. Also, economic exchange, with the South sending its surplus materials to the North and importing from the North resources that we have been importing from foreign countries, can be put into practice right away, thereby benefiting both sides.

In this way, we can start with small steps and move on to greater steps. In the process, the North and South can build mutual trust. Confidence-building is indeed the foundation on which to improve relations between the North and South.

I am convinced that the recent South-North talks in Seoul have helped the two sides understand each other's position. So, I hope that the two sides will make headway in the next round of talks to be held in October in Pyongyang.

I have repeatedly said that I am willing to meet with the person in the highest authority in North Korea at any time and any place. The sooner such a summit meeting takes place, the better. Through it, the North and South will be able to provide a basic framework within which to settle issues between the two sides. I hope that South-North summit meeting will materialize before the end of my stay in office.

[Song] Arms control between the South and North is seen as key to promoting detente and to setting a peace structure in motion on the Korean peninsula. What do you think the two sides need in order to reduce the armed forces on both sides, standing face to face along the truce line? When do you think the withdrawal of U.S. troops can be realized?

[No] Mutual distrust and misunderstanding leads to the arms race and war. So, before anything else, the two sides must build confidence between them to prevent the arms race and war.

In our keynote speech at the recent talks between the South and North prime ministers, we put forward a realistic proposal on disarmament.

When the South and North have built political and military confidence between themselves, the issue of withdrawing U.S. troops can be negotiated between Korea and the United States.

[Song] When do you think Korea and the Soviet Union will establish diplomatic relations between our two countries? Also, when do you, Mr President, think you will be able to visit the Soviet Union?

One more thing. Is there a consultation going on between the two countries concerning President Gorbachev's visit to Korea and when, if there is a plan, will President Gorbachev come to Korea?

[No] At the first round of talks between the Korean and Soviet Government delegations held in Moscow last August, the two sides agreed in principle to promote the establishment of diplomatic relations and economic cooperation at the same time.

This was an important factor that has accelerated the establishment of diplomatic relations between Korea and the Soviet Union. At their first round of talks in New York, which is scheduled for 30 September in New York, the foreign ministers of Korea and the Soviet Union are expected to formally announce the establishment of diplomatic relations between the two countries. At the second round of talks between the two to be held toward the end of October, the two countries will sign another agreement following the normalization of diplomatic ties.

In our San Francisco meeting, I discussed with President Gorbachev the exchange of visits between the leaders of Korea and the Soviet Union. Presently, there is no negotiation between the two countries regarding such particulars as date and such things. But wouldn't it be natural for the leaders of the two countries to visit Seoul and Moscow following the establishment of diplomatic relations?

[Song] How are the negotiations over economic cooperation between Korea and the Soviet Union going? Also, what are the prospects for economic cooperation?

[No] The Soviet Union regards Korea as one of the most important countries in Asia and the Pacific to have economic cooperation with. This is because the economic structures of the two countries are mutually complementary, and we can provide the Soviet Union with what it needs, such as consumer goods and production facilities and technology.

Trade and economic cooperation with the Soviet Union will open up new opportunities for our country as well. The Soviet Union is not only a big market for our goods, but also a source of various resources and the highly advanced science and technology that we need.

Negotiations with that country over economic cooperation are proceeding satisfactorily. Agreements on trade and aviation have already been signed, and I understand that agreements on investment guarantees and on prevention of double taxation, as well as an agreement on cooperation in science and technology, will also be signed before the end of this year.

When these agreements are signed and diplomatic relations are established, our business firms will be in a position to promote trade and investment in the Soviet Union.

[Song] What prospects do you see for improving relations with China?

[No] The Asian Games opens today in Beijing. Not only our athletes, but also thousands of other Koreans went there to participate in the festival of the Asian people.

We have not spared our sincere cooperation with China to help it host a successful sports event based on the experience and techniques we learned by hosting the Asian Games and the Olympics.

We hope that the bilateral relations between our two countries will reach a new level, taking advantage of the Asian Games. Of course, we hope that diplomatic relations will be established between our two countries at the earliest possible date, and toward this end we will do our best, without interruption. However, China has its own ideas about such things. So, we will not be rash or in a hurry.

[Song] In connection with the situation in the Persian Gulf, the United States asks our country to bear a share of military expenses. Do you think that Korea should give financial support to the United States to keep its troops stationed in that region?

[No] The war clouds hanging over the Persian Gulf are not a fire on the other side of a river and we cannot watch it with folded arms in the belief that it would never come close to us. Following the Iraqi invasion of Kuwait, the price of crude oil has soared from $18 to $32 per barrel in a matter of days. If this situation leads to war or if it continues for long, it is very likely that the price will rise as high as $40 per barrel or more.

If and when this happens, it will deal a crucial blow to our economy and national interest. The rise in the price of crude oil by $1 per barrel means that our country must pay $320 million more. Compared with its previous price, $18 per barrel, the current price at $32 per barrel will force our country to pay an additional $5 billion per year to import crude oil.

The settlement of the Persian Gulf situation at the earliest possible date through the effective measures of many countries involved, including the United States, will directly serve our national interest.

During the 25 June southward invasion, our country received a great deal of assistance from the United States and the United Nations. The United States, although suffering from trade and fiscal deficits, is now making an effort to restore peace in the Middle East and our helping the U.S. peace effort there is in our national interest.

[Song] According to news reports, the United States asked our country to provide $45 million as part of the upkeep of the U.S. troops deployed in the Middle East. If we have to, in what way and when do you think our country will do this?

[No] The amount of $45 million is wrong. The United States has about 100,000 ground, Navy, and Air Force troops deployed in the Persian Gulf and the United States needs an extra $1 billion in military funds a month for the deployment.

Taking the size of the Korean economy into consideration, the United States asks our country to donate about $150 million for military expenses and another $200 million as assistance to the neighboring Gulf countries. Based on this, our country is studying an appropriate amount of assistance. Not all of our assistance will be in hard currency and we will arrange the assistance whenever these countries say.

[Song] You have often described the parliamentary cabinet system as being a good system for laying the groundwork for reunification and for the removal of provincialism. You have also often said that you would not push ahead with a constitutional revision if people were against it. Does your decision to stop discussing a constitutional amendment until the end of this year mean an abandonment or a temporary shelving of an earnest discussion of it for the time being?

[No] Even at the time I announced the so-called 29 June declaration 3 years ago, I still thought that the parliamentary cabinet system was a desirable system for democratic development in our country. But the people wanted to choose their president by popular election and I accepted their opinion.

In a democratic country, it is public opinion that decides what kind of political system to adopt. The prevailing opinion within the party is that now is not the appropriate time to discuss whether to revise the Constitution or not, as there are mountains of domestic and external issues to resolve.

Political parties are held in mistrust whenever an amendment to the Constitution is mentioned, as they have partisan stakes in it. So, my hope is that leading figures in the academic and journalistic sectors who have no such stakes in an amendment to the Constitution and who can be objective in their position would lead public opinion by comparing the merits of each system.

[Song] The process of revising the Constitution will entail very fierce opposition and provoke wide opposition among the people. Do you think it is absolutely necessary to revise the Constitution before the next presidential elections? If public understanding about the need is low, don't you think it will be better to postpone the debates on a constitutional revision until after the general elections for the 14th National Assembly or the next presidential election?

[No] In our society there are many schools of thought about constitutional revision. As a man who took the lead in opening a genuine democracy in our country, the first of its kind in the history of our constitutional politics, I have no personal ambitions as far as a constitutional revision is concerned.

[Song] Since controversy over the type of government to follow the current one has not been settled, it is hard to predict what kind of strategy the Democratic Liberal Party [DLP] will embrace to come into power in the next general elections. What do you think is the correct way of picking your successor? Do you have any specific qualifications in your mind for the future leader to lead the DLP and our nation's politics as a whole?

[No] In due time, our party will elect a person widely supported by public opinion, and do so based on democratic procedures according to the dictates of our party Constitution.

[Song] Some in the political circles raise their voices, calling for an opening of a new political era, including a shift in the generations. Don't you think it is necessary for the currently active political leaders to adopt a more self-sacrificing attitude in order to change politics qualitatively?

[No] The call for a new generation of politicians is inevitable in any era and in any country. However, a shift in the generations cannot be achieved artificially in a representative political system. Also, the effort and devotion our currently active politicians have made for the country and people should not be underestimated.

[Song] Are you getting on well with Cochairmen Kim Yong-sam and Kim Chong-pil in running the party?

[No] I am always frank when discussing state affairs with them. Also, I am grateful to them because they always provide me with valuable advice not only for running the party, but also for all the other important things.

[Song] You mentioned your unusual resolve to achieve political, economic, and social stability before this year is out. Do you see any results?

[No] All those in public office have been making sincere efforts to put what I said last 7 May into practice. Public desire for stability has also become a resounding demand. Thanks to the effort made by the people from all walks of life, the situation characteristic of a transitional era over the past 3 to 4 years is clearly over. It is true that we have economic difficulties at home and abroad, and on the whole our society has been stabilized, but public peace and order is still not strong enough to rid the public of uneasiness.

With the opposition parties still staying away, people feel uneasy about political developments. However, they cannot stay away indefinitely or ignore such pressing issues as budget review or bills aimed at easing public life.

[Song] The government announced the abolition of such holidays as Army Day and Korean Alphabet Day and then revoked the policy. Why? Was it succumbing to public opinion? This is one reason the public has no trust in the government, particularly in the inconsistency in its policies.

[No] Too many holidays during the fall season, when there is too much work to do, has a very heavy influence on exports and the economy as a whole. The government's intention is to leave them as holidays this year and change them to remembrance days next year. We have not shelved it.

In the first place, we meant to reduce the number of holidays. But it threw society into turbulence with an ambiguous definition of the holidays and days to remember. The government will change the laws concerning holidays.

Government To Announce Share of Gulf Expenses

SK2309060190 Seoul CHUNGANG ILBO in Korean 23 Sep 90 p 1

[Text] The government is expected to officially announce on 24 September its share of funds going toward the Persian Gulf crisis. The government thus far has conducted negotiations with the U.S. on our share in military expenses for the Gulf.

It has been learned the two sides have reached the final agreement by which our government will provide $230 million, approximately two-thirds of the $350 million the U.S. originally requested. It also has been learned that out of $230 million, $130 million will be for U.S. military expenses and $100 million will be long-term loans to be provided to Egypt and Jordan.

Students Protest U.S. Request

SK2509103890 Seoul Domestic Service in Korean 1000 GMT 25 Sep 90

[Text] At around 1500 this afternoon, the Seoul District Federation of General Student Council sent representatives of students to the U.S. Embassy, and delivered a letter claiming that the U.S. military burden sharing demand be withdrawn at once.

Sports Minister Proposes Exchanges With China

SK2309093490 Seoul YONHAP in English 0845 GMT 23 Sep 90

[Text] Beijing, Sept. 23 (YONHAP)—South Korea proposed Sunday the conclusion of an agreement on sports exchanges between China and South Korea.

The proposal was made when South Korean Sports Minister Chong Tong-song met with Wu Shaozu, Chinese minister of state physical culture and sports commission, at the Beijing Hotel.

There are no diplomatic ties between Seoul and Beijing.

Chong, currently here on the occasion of the Beijing Asian Games, said he delivered to Wu a draft agreement on the proposed sports exchanges during the talks that lasted half an hour. In response, Wu expressed the hope that sports exchanges will be further expanded between the two countries and that China will "positively" review Chong's proposal, according to the Korean sports minister. Chong said he formally invited Wu to visit Seoul, to which the Chinese sports leader replied that he would consider complying with the invitation at an early date by going to Seoul during a major international sports meet to be held there.

Seoul is the venue for the world handball championships in November, and Wu is most likely to visit during the championships.

Wu voiced the hope that South Korea will assist China in in its bid to lure the Olympics in 2000.

Pending Trade Office Exchange With PRC Denied

SK2509050790 Seoul YONHAP in English 0502 GMT 25 Sep 90

[Text] Seoul, Sept. 25 (YONHAP)—The South Korean Government has denied reports that Seoul and Beijing have agreed to exchange trade offices soon.

"There has been no progress in the matter of establishing trade offices between South Korea and China since the Tiananmen Square incident in June 1989," a senior Foreign Ministry official said Tuesday. "It is untrue that the two sides have agreed in principle on exchanging trade offices," the official said.

"Negotiations on the matter, I think, will be resumed if conditions mature following a successful conclusion of the ongoing Asian Games in Beijing. At present, however, there is no progress in such negotiations and the government has no plan to send the officials concerned to China."

Assemblyman Reportedly Meets Premier Li Peng

SK2409125890 Seoul Television Service in Korean 1200 GMT 24 Sep 90

[Text] The Beijing Asian Games lead us to have great interests in fields in addition to sports. Lawmaker Pak

Chol-on of the Democratic Liberal Party, who is now visiting Beijing, this morning met Chinese Premier Li Peng in the capacity of a delegate of our government.

In its newscast this evening, the state-run China Central Television, reporting that Premier Li Peng this morning met foreign delegates who had participated in the opening ceremony of the Beijing Asian Games at the Great Hall of the People, showed a shot of lawmaker Pak Chol-on sitting near Premier Li Peng in the official box.

Information Minister Departs for Asian Meeting

SK2409080090 Seoul YONHAP in English 0740 GMT 24 Sep 90

[Text] Seoul, Sept. 24 (YONHAP)—Kang Yong-shik, vice information minister, leaves for Malaysia on Tuesday to chair an annual meeting of Information Ministry officials from eight Asian nations for regional cooperation and exchange of information.

Kang is to return on Saturday.

Vietnamese Economic Delegation Arrives in Seoul

SK2409050590 Seoul YONHAP in English 0451 GMT 24 Sep 90

[Text] Seoul, Sept. 24 (OANA-YONHAP)—Vietnam, seeking economic cooperation with South Korea to rehabilitate its economy, sent a nine-member delegation to Seoul on Sunday for a week to sound out the possibility of bilateral economic cooperation and encourage Korean companies to actively invest in Vietnam.

"My purpose is to help Vietnam implement a successful economic development policy with the aid of Korea's capital, technology and rich experience," said delegation leader Tran Duc Nguyen [as received], who is senior economist of Vietnam's State Planning Committee and Central Economic Bureau, Monday. "I hope Korean businesses will make active advances into Vietnam. It is true the Vietnamese economy is hard now, and the Vietnamese Government intends to provide tax benefits and other various favorable policies for Korean businesses that participate in rehabilitation projects for the Vietnamese economy."

The other delegates are politicians, businessmen and scholars. On Tuesday and Wednesday, they will attend a seminar on Korea-Vietnamese economic cooperation jointly sponsored by Korea Chamber of Commerce and Industry (KCCI) and the Institute of East and West Studies at Seoul's Yonsei University, which invited them to the seminar. They will visit the Korea Trade Promotion Corp., the Korea Development Institute (KDI) and KCCI to explain Vietnam's economic reform policy and discuss ways to promote Korean investment in Vietnam.

Samsung, Daewoo, Sunkyong and Hyosung are to discuss ways to jointly develop natural and human resources in Vietnam. Korean businesses have reportedly asked the government for permission to invest about 40 million U.S. dollars in Vietnam.

The Vietnamese will also contact government authorities to discuss the schedule for opening a trade office here before leaving Seoul on Sept. 29. Korea and Vietnam have not had diplomatic relations since the end of the Vietnam war in 1975.

"Vietnam seems to want active participation of Korean firms in its economic development projects because they intend to adopt the Korean economy as a model for their economic rehabilitation. The Vietnamese visit will probably accelerate bilateral economic cooperation," an economic analyst here said.

Seoul 'Unlikely' To Meet 1990 Export Goals

SK2409075790 Seoul YONHAP in English 0714 GMT 24 Sep 90

[Text] Seoul, Sept. 24 (OANA-YONHAP)—South Korea is unlikely to meet its export targets this year for electronics, textiles and other leading products, economic observers are predicting. Korean products are being nudged out in a price war due to the strength of the Korean won and wage hikes, and exports have been further damaged by the international slump caused by the Persian Gulf crisis. A lack of experts, investment and research funds, meanwhile, are delaying crucial economic redirection toward new, high value-added products, further darkening the export outlook.

Leaders of more than 30 electronics firms met last week to prepare emergency steps to offset a feared decline in exports to 700 million U.S. dollars below this year's target. The trend as of end of July puts sales at 18 billion dollars instead of the 18.7 billion-dollar goal.

Officials at electronics giants Samsung, Goldstar and Daewoo all said they are lowering their export targets by 100 million to 200 million dollars and cited the growing competitiveness of products from other developing nations. Countries like China and overseas factories run by Japanese firms in the areas of color T.V. sets, audio equipment and household appliances are actually winning the price war, they said.

Automakers report a 31.9 percent drop in overseas sales for the first half of the year from 125,000 cars during same period last year. New models, such as Hyundai's semi-sports Scoupe, fell short of initial expectations that they would boost the slow market, industry officials say. The oil crisis threatened by the Gulf confrontation pulled down August sales 13 percent from last year, with U.S. dealers slashing their orders.

Textile exporters, although they are likely to chalk up the same sales as last year at 15.1 billion dollars, have been directly affected by the Middle East crisis. The industry, whose bigger buyers are from the Middle East, had reached 8.4 billion dollars in exports as of end of July, about 54 percent of the year's target.

The petrochemical sector got off to a strong start in the first half with an 80-percent jump in foreign sales, buoyed by large-scale facilities expansion and increased production. But sales have plummeted sharply since the Gulf confrontation, bringing their export drive almost to a standstill. The slump is unavoidable due to a raised break-even point and naphtha prices, the firms say.

Steel exports, similarly, stand to fall short this year as major buyers, such as Japan and other Southeast Asian nations, are turning their backs on South Korea. Weakening of the Japanese yen is hurting exports to that country, while Southeast Asia, the substitute market, is buying its steel from manufacturers operated jointly with advanced nations.

Unless the situation picks up again, Korea will end the year 200 million dollars short of its 4.5 billion-dollar export goal, business leaders say.

$306 Million Trade Deficit Recorded in Aug

SK2309020090 Seoul THE KOREA TIMES in English 23 Sep 90 p 8

[Text] The trade account recorded a $306 million deficit last month, wiping out surpluses in June and July, according to statistics from the Office of Customs Administration.

Imports amounted to $5,632 million, down 2.3 percent from the year before. The decrease was the first monthly setback since the turn of this year. Meanwhile, exports rose 1 percent to $5,326 million. Monthly trade figures registered deficits in the first five months of the year. But a $230 million surplus was recorded in June, followed by $55 million in the black in July.

Last month, exports of automobile rose as much as 47 percent over a year ago, thanks to the marketing of new cars. Those of footwear increased 24.6 percent, chemicals 18.9 percent and machinery 11.8 percent. However, exports of plywood, wooden products, steel and textiles decreased from the year before.

Imports of raw materials for exports of products made with them declined 11.4 percent over a year ago, testifying to poor export performances by business concerns. On the other hand, imports of products for domestic consumption rose only 2.8 percent, a sharp decline from the average 14.1 percent increase per month during the first seven months of the year. The decrease was attributed to the current public campaign to boycott luxury foreign consumer products and to create a healthy consumption atmosphere.

The trade account in the first eight months of the year recorded a $3,021 million deficit with $40.5 billion in exports and $43.521 billion in imports.

Business experts apprehended that the aggregate trade deficit for the year would reach as much as $5 billion, the first yearly setback since 1986.

Government Plans To Increase Meat Exports

SK2109005790 Seoul THE KOREA HERALD in English 21 Sep 90 p 6

[Text] The government will increase assistance to businesses which wish to export pork, chicken and beef, a government official said yesterday. The measure is part of programs to meet the liberalization of imports of livestock products, said Sin Ku-pum, chief of the Livestock Office at the Ministry of Agriculture, Forestry and Fisheries.

At a symposium, Sin said the government has plans to increase exports of pork from 12,000 tons in 1989 to 15,000 tons in 1990 and 70,000 tons in 2001. He said the government will stimulate exports of chicken through processing businesses, and increase efforts to improve the quality of Korean beef with the aim of reaching the level of Japanese beef. He said that 2,023.4 billion won has been set aside to develop the nation's "fragile" livestock industry between 1990 and 2001.

The 12-year development plan is designed to improve the distribution structure for livestock products, stabilize their domestic prices, implement structural change of the livestock industry and strengthen the international competitiveness of Korean livestock businesses, he explained. He predicted that the nation's consumption of beef will increase from 143,000 tons in 1989 to 267,000 tons in 2001, while that of milk products will rise from 1,642,000 tons to 2,975,000 tons.

During the symposium held in the National Livestock Cooperative Federation building in southern Seoul, an official at the Korea Rural Economic Institute urged that major agricultural products be excluded from the import liberalization list. He called for measures to strengthen the international competitiveness of farm businesses and stimulate exports of agricultural products.

3,000 Tons of Oranges To Be Exported to Canada

SK2309011390 Seoul THE KOREA HERALD in English 23 Sep 90 p 6

[Text] Korea Coop-Trading Co., a trading arm of the National Agricultural Cooperative Federation [NACF] will export 3,000 tons oranges worth $300,000 to Canada through 1993, NACF sources said yesterday.

In the initial stage, 160 tons will be shipped from Oct. 23 through Nov. 7. About 650 tons will be shipped in 1991, 800 tons in 1992, and 1,000 tons in 1993. The company signed a contract to export oranges produced in the southern island province of Cheju-to for the first time with a Canadian company, the sources said.

Inaugurated in July with a total paid-in capital of 2 billion won, Korea Coop-Trading Co. is also seeking to export apples, pears and processed foodstuffs. The inauguration of the company was part of the NACF's programs to meet the opening of the nation's agricultural market to foreign goods.

Electronics Exports Predicted To Fall Short

SK2109053390 Seoul YONHAP in English 0526 GMT 21 Sep 90

[Text] Seoul, Sept. 21 (YONHAP)—The Trade and Industry Ministry estimates that South Korean electronic exports will fall short of the Ministry's target of 18.7 billion U.S. dollars this year, reaching just 18 billion dollars instead.

Exports of home appliances will slip 7.8 percent to 5.35 billion dollars while exports of communications equipment and industrial products will post a slight increase, a ministry report said Friday.

Exports of semiconductors and parts will be close to target, up 14.3 percent and 14.4 percent, respectively, it said, blaming sluggish exports on weakened price competitiveness, poor marketing, outdated industrial technology and lack of product development. Wage increases have robbed entire product lines of their price competitiveness. Higher prices have cut U.S.-bound home appliance exports 30.9 percent so far this year, it said.

No Tae-u Receives Mitterrand's 'Special Envoy'

SK2409080690 Seoul YONHAP in English 0742 GMT 24 Sep 90

[Text] Seoul, Sep. 24 (YONHAP)—President No Tae-u received Edith Cresson, French minister for European affairs. She is here as French President Francois Mitterrand's special envoy, reportedly to lobby the Korean Government to select France's TGV railway for Korea's ambitious high-speed train project.

Bilateral Shipping Pact With Britain Initialed

SK2309021290 Seoul THE KOREA TIMES in English 23 Sep 90 p 8

[Text] Korean and British officials initiated a bilateral shipping pact at the close of two-day talks Friday in London, the Korea Maritime and Port Administration (KMPA) reported yesterday. A spokesman quoted a dispatch from the delegation as saying that the treaty will be formally signed in Seoul in the near future.

The agreement stipulates that ships of each party will be treated equally with its own ships at the other's ports and each government will recognize certificates of seamen and ships of the other party. The two sides also agreed to allow free competition in the transport of cargoes on bilateral regular trade services. They also decided to establish a joint consultative committee composed of government officials in shipping to promote mutual cooperation.

The two sides agreed on the text of an exchange of notes which will extend the scope of the agreement to Bermuda, the Cayman Islands and Gibraltar, something which was originally rejected by the Korean government. This means that ships registered with the British judiciary territories will also be subject to equal national treatment. But Hong Kong has been excluded from the agreement.

The pact was initialed in the sixth round of maritime talks in 10 years.

A KMPA official said the agreement will help domestic shipping companies to expand vessel fleets to the European countries after the integration of the European market in 1992. So Chae-kuk, director general at the Marine Transport Bureau, the KMPA, led a four-member Korean delegation and a five-member British delegation was headed by R.G. Jones, head of the shipping policy and foreign relations, Department of Transport. Meanwhile, So agreed with Lord Brabazon, minister of state for aviation and shipping, to promote bilateral cooperation in shipping when So visited the latter on Friday.

Poll Indicates Mistrust in Politics Increasing

SK2209121390 Seoul CHUNGANG ILBO in Korean 20 Sep 90 p 1

[Text] There is a growing mistrust of politics and people are becoming open-minded regarding North-South relations. On the 25th anniversary of the founding of CHUNGANG ILBO, its Data Bank Department polled 1,800 men and women from across the country on 4-10 August. In this poll, 64 percent of the respondents said that they do not like any of the political parties. In 1988, 19.9 percent said that they did not support any political party, and 33.4 percent gave the same response in 1989. The number of people who gave this response has doubled every year. This means that people's mistrust of politics is growing.

Regarding the question of who must leave the political scene, 29.3 percent chose Kim Tae-chung, president of the Party for Peace and Democracy; 16.4 percent, Kim Yong-sam, executive chairman of the Democratic Liberal Party; 11.0 percent, former President Chon Tuhwan; and 9.6 percent, President No Tae-u.

People's mistrust is also shown in their perception of the political situation: 80.8 percent said that they feel uneasy about the current political situation. When asked why, 51.1 percent said that they feel this way because the current political circles lack political capabilities. When asked about the most urgent task of our country, 42.5 percent said it is political stability. However, in contrast to their strong mistrust of politics and their uneasiness over the political situation, people think that the future of our country and prospects for North-South relations are bright, and have a very progressive view on these issues.

Also, 41.1 percent said that in 10 years, our country will be able to match today's Japan, which has achieved stability and prosperity, and 63.8 percent said that our country's influence in the international community will grow.

This poll also shows that 29.4 percent believe U.S. forces must be withdrawn from the ROK gradually or immediately. Last year, 19.7 percent supported this idea. Also, 35.7 percent said that the U.S. forces must not be withdrawn from the ROK, a decrease from last year's poll in which 41.7 percent opposed the withdrawal. The poll ranked the United States first among the countries most liked (19.5 percent) and second among the countries most hated (9.5 percent). Still, many people chose the United States as the country with which we must maintain close ties for our national security (64.1 percent) and for our economic interests (34.3 percent). Also, 42.9 percent said that the United States exercises the greatest cultural influence upon our country.

Regarding North Korean television and newspapers, 81.8 percent said that people must be allowed to watch North Korean television and to read North Korean newspapers, an increase of 13.6 percent point compared to last year's poll.

Regarding the quality of running water, only 6.7 percent said that they drink running water because it is safe; 48.5 percent said that they drink running water even though it is not safe; and 31.6 percent said that they use water purifiers or drink spring water.

Ruling Party Considers Local Elections in 1991

SK2409091690 Seoul YONHAP in English 0906 GMT 24 Sep 90

[Text] Seoul, Sept. 24 (YONHAP)—The ruling Democratic Liberal Party (DLP) is considering calling elections for local councils in the first half of next year, with mayoral and gubernatorial elections a year later, a senior DLP official said on Monday.

Chief DLP policy-maker Kim Yong-hwan told a party seminar the council elections could, however, be held simultaneously with general elections if the opposition so desired and opened the door for negotiation on political affiliation of candidates. "Our party believes it is undesirable for political parties to recommend candidates for local councils, but we are willing to discuss the matter with the opposition parties," Kim said.

Kim Tae-chung's Party for Peace and Democracy (PPD), whose 70 lawmakers tendered their resignations in July to protest the DLP's ramming of 26 controversial bills through the National Assembly, has argued for the nomination of candidates in local elections. The DLP is trying to get the PPD back into the Assembly, but the main opposition party refuses to return until its conditions, including early implementation of local autonomy, are met.

It has been almost 30 years since local elections were held in Korea under President Syngman Rhee, currently all seats on local administrative bodies are filled by presidential appointees.

Kim said the DLP, which has 218 of the 299 seats in Korea's unicameral parliament, is determined to pass laws relating to local autonomy during the current sitting, which is stalled due to the absence of opposition lawmakers. On revision of the much-disputed National Security Law, which is the legal basis for jailing people who sympathize with the North Korean Government or visit the North without permission, he said, "We will progressively reflect argument and criticism, particularly from the opposition parties, concerning the law."

Research Institute Stresses Rice Production

SK2309021390 Seoul THE KOREA TIMES in English 23 Sep 90 p 9

[Text] Manila (AFP)—A massive increase in rice production is needed over the next 30 years to avert potential famine, the International Rice Research Institute (IRRI) said in an annual report issued here Friday.

The spread of urban centers, lack of new technological breakthroughs on crop yields and population growth, which results in up to 100 million new rice consumers each year, were at the root of the problem, the Philippine-based IRRI said. "In 30 years, the earth will be home to eight billion people. More than half—4.3 billion, almost as many as inhabit the earth today—will be rice consumers," the report said. "Feeding them will require a massive increase in global rice production, from today's 470 million tons to 760 million tons" which even if it could be achieved "will merely maintain current nutrition levels which are already inadquate for hundreds of millions of people," it added.

IRRI said surpluses and low market prices in the late 1980's gave researchers a "false impression that the world's rice problems have been solved. They forgot just how precarious the line is between sufficient rice and potential famine." The institute stressed that overall contraction of the world economy, lack of foreign exchange in many debt-ridden countries and strong agricultural protectionism in some industrialized countries accounted for depressed prices between 1982 and 1987 as much as productivity gains. At the close of the decade, rice production growth in Asia, the world's main rice growing and consuming region, "once more fell behind population-driven growth in demand" and rice stocks fell to 13 percent of consumption, the lowest ratio since the world food crisis in the early 1970s.

Two consecutive poor harvests have since driven world prices up and newly self-sufficient India, Indonesia and the Philippines had again begun to import rice, illustrating the "narrow margin between self-sufficiency and potential famine in most of monsoon Asia," it added. "Prospects for a rapid recovery of production are dim," it added.

IRRI said new major technological finds that would ensure abundant rice supplies for the next decade were "yet to be found" and "global as well as Asian shortfalls in rice production relative to demand" were likely to raise world prices "into the 21st century."

Burma

UN, Thai Groups Arrive To Study Drug Control

BK2509103490 Rangoon Domestic Service in Burmese 1330 GMT 24 Sep 90

[Text] A delegation led by Dr. J.B. Janeiro, executive director of the United Nations Fund for Drug Abuse Control, and another delegation led by Police Lieutenant General Chawalit Yotmani, secretary of the Office of the Narcotics Control Board of Thailand, arrived in Yangon [Rangoon] this evening on a Thai international plane, to study the narcotic drugs control and prevention activities of Myanmar [Burma].

The delegations were welcomed at the airport, on behalf of the Central Narcotic Drugs Prevention and Control Board of Myanmar, by Police Colonel Ngwe Soe Tun, secretary of the Committee for Prevention and Suppression of Narcotic Drugs; Police Quartermaster General Police Brigadier General Phone Nyunt; Staff Director Police Colonel Hla Myint; the Thai ambassador to Myanmar and embassy officials; and responsible personnel from UN organizations.

3 Arrested for Printing 'Agitation Pamphlets'

BK2209095390 Rangoon Domestic Service in Burmese 1330 GMT 21 Sep 90

[Text] Authorities on 12 Sep arrested two executive committee members and a party member of the Democratic Party for New Society [DPNS] of Kayan, together with agitation leaflets entitled "Student Youth Front of Myanmar" [Burma]. Arrangements are being made to take legal action.

Those arrested were executive committee members of Kayan DPNS Ko Htein Win, 32, son of U Lun Maung residing at No. 34, Seikta Thuka Road, 5th ward, Kayan and Ye Naing, 23, son of U Myint Swe residing at Nilar Road, 7th ward; and Kayan DPNS party member Lwin U, 20, son of U Mya Win residing at Kyaunggyi Road, 1st ward.

On 12 September, the three discussed and wrote agitation pamphlets on wax paper and then printed them. They then planned to distribute them among the students of Kayan State High School on 15 September with the help of Zaw Moe Aung, an 8th standard student and son of Hla Myat Aung; Aung Myo alias Ah Nge Lay, a 9th standard student and son of U Tin Ohn; and Than U, an 8th standard student and son of U Tin Pe—all students from that school. They were arrested before they could distribute the 90 printed agitation pamphlets.

The heading of the pamphlets read as follows: Dear comrade brother and sister students.

In the contents of the pamphlets the students were urged to bravely prepare themselves for confrontation, according to the prevailing situation. The pamphlets were signed by the Student Youth Front of Myanmar. Severe legal action will be taken against the three agitators.

NLD Member Arrested for 'Illegal Publications'

BK2409162490 Rangoon Domestic Service in Burmese 1330 GMT 24 Sep 90

[Text] U Kyee Hla, 43, son of U Maung Gyi, provisional member of the Central Executive Committee, Kyauktada Township branch of the National League for Democracy [NLD], who is in charge of news and information and has been publishing, distributing, and selling illegal publications that impugn government leaders, was arrested by authorities concerned on 20 September together with antigovernment documents.

Since July 1990, U Kyee Hla has been publishing, distributing, and selling documents—3,000 booklets entitled: Why the National Unity Party lost the elections; 300 leaflets entitled: A meeting between Major General Tun Kyi, chairman of Mandalay Division Law and Order Restoration Council, and the teachers; 1,000 copies of the Gandhi Declaration [National League for Democracy declaration following meeting at Gandhi Hall in Rangoon]; 500 copies of translated news about Daw Aung San Suu Kyi first reported in the TIME and ASIAWEEK magazines; and 400 copies of MYET-KHOK-DAH magazine Volume No. 2. He was also found to have in his possession 370 copies of booklet, entitled: What's Happening? The booklet, which combines Volume 1, 2, and 3 of MYET-KHOK-DAH, was printed for distribution and sale.

U Kyee Hla uses the Wai Wai Lwin typesetting and copying house as well as the sidewalk typists on 34th Street to print the publications. He sells them through the outlet at the Office of the National League for Democracy and through street vendors in front of the Post Office in Kyauktada Township and around Pabedan Township People's Department Store and 32d Street.

U Kyee Hla was arrested together with two copies of MYET-KHOK-DAH Volume No. 2 as well as 370 booklets combining Volume No. 1, 2 and 3 of MYET-KHOK-DAH; eight sheets of political documents, entitled: The National League for Democracy and the Youth Parties; cassette tapes containing antigovernment speeches; photographs; 10 red armbands with the Fighting Peacock emblem; and papers that advocate disturbances.

Since U Kyee Hla has repeatedly been publishing, distributing, and selling illegal papers that impugn the government and advocate disturbances, it is learned that effective legal action will be taken against him.

Brunei, Malaysia & Singapore

Malaysia

Asset Seizure Agreement With U.S. Discussed

BK2109101190 Kuala Lumpur BERNAMA in English 0926 GMT 21 Sep 90

[Text] Kuala Lumpur, Sept 21 (BERNAMA)—The United States and Malaysia have started talks on the formulation of a bilateral agreement for seizure of assets acquired from crimes related to drug trafficking.

Charge d'affaires of the U.S. Embassy in Kuala Lumpur, Scott Butcher, said Friday discussions were being held between the embassy, the national anti-narcotics task force and the ministry. "Basically, we have discussed with the Malaysian Government the possibilities in the area of asset seizure," he told reporters after the closing a seminar on intelligence work, conducted by the U.S. Drug Enforcement Adminnistration (DEA) for local drug enforcement officers. He pointed out that the matter was highly complex and needed to be worked out by experts as it involved legal issues.

Butcher said the asset seizure agreement between Malaysia and Britain was easier to work out because both countries belonged to the Commonwealth.

He added that the U.S. Government was also looking into the possibility for cooperation on asset seizure with Malaysia under the United Nations convention against drug trafficking adopted in Geneva two years ago. Both, the U.S. and Malaysia, were among the 40 signatories of the convention which included cooperation on assets seizure and financial investigation of drug traffickers, he said. He added conclusion of an asset seizure agreement between the U.S. and Malaysia would be significant as "it would show to drug traffickers that there is no refuge for them."

Based on the close cooperation that the U.S. and Malaysia had established in the war on drugs, Butcher was confident that there would be no obstacles to reaching agreement on the pact. He said that both, the U.S. and Malaysia, regarded the war against drugs as a serious matter because the drug menace was not only a social problem but also a threat to national security.

Apart from the seizure of assets owned by drug traffickers, cooperation between the U.S. Government and Malaysia would continue in other fields such as training for drug enforcement officers, intelligence work, sharing of information and officer exchange programs.

Singapore Helicopter Intrusion Probe Completed

BK2209140990 Singapore THE STRAITS TIMES in English 19 Sep 90 p 17

[Excerpt] Johor Baru—The Royal Malaysian Air Force (RMAF) has completed its probe into the alleged intrusion by a Republic of Singapore Air Force (RSAF) helicopter into Malaysian air space in Gelang Patah, about 40 km from here recently. A Defence Ministry source told BERMAMA here yesterday that the report was expected to be submitted to Defence Minister Tengku Ahmad Rithauddeen, who is away overseas.

On Aug 21, Tengku Rithauddeen directed the RMAF to conduct an investigation into the allged intrusion after residents of Gelang Patah reported seeing the foreign helicopter. He said that although the truth of the matter had yet to be verified, the government viewed the alleged intrusion as a "serious matter".

Singapore denied that any RSAF helicopter intruded into Malaysian air space on Aug 10, as claimed by the people in Gelang Patah. In a statement issued on Sept 10, it said an RSAF helicopter which was in the area on July 10 was operating with the knowledge and consent of the Malaysian authorities. A Singapore Defence Ministry spokesman, Colonel Kwan Yue Yeong, said the helicopter was in the area during a Five-Power Defence Arrangement (FPDA) air exercise. Both Malaysia and Singapore are members of the FPDA.

The Malaysian Defense Ministry source did not deny that the Singapore version of the incident contained some "twisted" facts. But he declined to elaborate on the matter, saying that "everything has been included in the report" which would be handed to Tengku Rithauddeen.

Col Kwan had said the exercise was cleared and coordinated with both Malaysian and Singapore authorities and that Singapore's own investigations found that no RSAF aircraft ventured beyond the designated area.

Malaysia and Singapore are usually involved in four annual air exercises under the FPDA. The source said there would be two minor exercises, involving Malaysia and Singapore, while the other two would involve the other three FPDA members—Australia, New Zealand and Britain. All five nations were involved in a major four-day exercise, codenamed "Major Adex 90" on March 13. [passage omitted]

Minister Says Foreign Investments Encouraged

BK2509102790 Kuala Lumpur International Service in English 0800 GMT 25 Sep 90

[Text] Malaysia will continue to welcome foreign investors even though some of the very liberal investment incentives applicable in the past four years may be withdrawn after the end of this year. Trade and Industry Minister Datuk Sri Rafidah Aziz gave the assurance in a dialogue with trade councillors of foreign missions based in Kuala Lumpur. She said foreign investors would continue to be welcomed because the government realizes that local investors alone would not accelerate the pace of manufacturing zone. Moreover, local investments will not be adequate to generate the kind of dynamism required to sustain the country's economic growth.

Cambodia

Resistance Statement Supports UNSC Resolution

BK2509012490 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 24 Sep 90

[Joint statement of the leaders of the Cambodian national resistance forces—read by announcer]

[Text] 1. The three parties of the Cambodian national resistance fully support Resolution No. 668/1990 of the UN Security Council [UNSC] approving the fundamental document of the five UNSC permanent members. The three parties of the Cambodian national resistance appeal to all parties involved in the Cambodian conflict to abide by this fundamental document in its entirety to facilitate the implementation of the comprehensive political settlement successfully, correctly, and eternally.

2. The three parties of the Cambodian national resistance fully support the UN Security Council appeal for the election of the chairman of the Supreme National Council [SNC] as soon as possible in accordance with the fundamental document of the five UNSC permanent members and with the agreement on the SNC formation reached by all parties at the Jakarta meeting.

The fundamental document of the five UNSC permanent members and Resolution No. 668/1990 of the UN Security Council clearly emphasize that the SNC is the sole legitimate organization and the source of authority representing the independence, sovereignty, and national unity of Cambodia during the transitional period.

3. The three parties of the Cambodian national resistance appeal to the two co-chairmen of the Paris International Conference on Cambodia to reconvene the Paris conference as soon as possible to elaborate the details of the plans for a comprehensive political settlement based solely on the fundamental document of the five permanent members and Resolution No. 668[1]990 of the UN Security Council.

4. The three parties of the Cambodian national resistance would like to reiterate their commitment to willingly and fully cooperate with the co-chairmen of the Paris conference and with the UN Security Council so Resolution No. 668[1]990 of the UN Security Council will be implemented as soon as possible.

5. The three parties of the Cambodian national resistance appeal to all parties concerned to abide by Resolution No. 668[1]990 of the UN Security Council.

6. The three parties of the Cambodian national resistance would like once again to express their deepest gratitude to the ASEAN countries, the two co-chairmen of the Paris conference, the UN Security Council, and his excellency the secretary general of the United Nations for making all-out efforts to seek a peaceful solution to the Cambodian problem quickly, fairly, and permanently.

23 September 1990
[Signed] Son Sann, prime minister of the National Government and president of the Khmer People's National Liberation Front;
Khieu Samphan, vice president of Cambodia in charge of foreign affairs and head of the party of Democratic Kampuchea;
Norodom Ranariddh, personal representative of Samdech Norodom Sihanouk in Cambodia and Asia and secretary general of the National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia.

Sihanouk Considering Attending Talks in Bangkok

BK2509082190 (Clandestine) Voice of the Khmer in Cambodian 0430 GMT 25 Sep 90

[Text] According to the Thai Foreign Ministry, Cambodian President His Royal Highness Samdech Norodom Sihanouk is considering coming to Bangkok, Thailand to participate in the continued meeting of the Supreme National Council [SNC] after he is elected as the SNC chairman.

The Thai government sources yesterday said His Royal Highness Samdech Norodom Sihanouk, currently staying in Beijing, was considering traveling to Bangkok. Thai Foreign Minister Subin Pinkhayan yesterday said the samdech would come to Bangkok following the resumption of the SNC meeting. The Thai foreign minister added that chances the SNC meeting would resume were promising as the leaders of the four Cambodian parties had shown their willingness to settle and complete the establishment of the SNC. Subin said Thailand was willing to arrange the meeting, but Bangkok wanted assurances the meeting would achieve an agreement on the election of the SNC chairman and give a final decision on the agreement. This means the meeting will not be organized for negotiations.

The sources said the Cambodian National Resistance's proposal calling for the resumption of the SNC meeting had already been conveyed to the Phnom Penh regime which, at the end of last week, had said that it welcomed and accepted Samdech Norodom Sihanouk's proposal. The report added that Thailand had had consultative a meeting with representatives of the UN Security Council's five permanent members who had said they endorsed the meeting of Cambodia's SNC.

The Thai Foreign Ministry presented a report on the outcome of yesterday's meeting with diplomats to Thai Prime Minister Chatchai Chunhawan who was at present considering the proposal put forth by the Cambodian National Resistance [CNR]. The CNR stated that the SNC meeting should be limited to the election of the SNC chairman and the appointment of a delegation to be sent to the United Nations before dealing with other issues. Diplomatic sources said a voluntary cease-fire could also be a topic of the meeting if the two aforesaid issues are already solved.

Party Journal on 'Failure' of First SNC Talks

BK2509080190 Phnom Penh SPK in English 0506 GMT 25 Sep 90

["PRACHEACHON on SNC Meeting's Failure"—SPK headline; quotation marks as received]

[Text] Phnom Penh SPK Sepember 25—"PRACHEACHON" (People) newspaper has run an article entitled "Who Has Caused Obstacle to the First SNC [Supreme National Council] Meeting" criticizing the opposition factions for violating the Jakarta joint statement.

The paper, organ of the People's Revolutionary Party of Kampuchea, said: "The first SNC meeting held at the former Cambodian Embssy in Bangkok, Thailand, from September 17-19, was temporarily suspended without reaching any agreement on the Cambodian seat at the United Nations, the cease-fire, the cessation of foreign military aid to all Khmer warring factions, the selection of an SNC chairman, and other issues relating to the convening of the forthcoming Paris International Conference on Cambodia in order to find out an overall solution to the Cambodian problem as mentioned in the Jakarta joint communique.

"The State of Cambodia's delegation led by Prime Minister Hun Sen to the first SNC meeting made great efforts in the hope of bringing the session to success by putting an end to the war and preventing the recurrence of the genocidal Pol Pot regime.

"But regrettably, the aspiration of the people of Cambodia and the world public for the restoration of peace in this country has not yet been met. The Khmer opposition factions have deliberately ignored the principles of the Jakarta joint communique and caused obstacle to the first SNC meeting. They use Prince Sihanouk, a non-member, as a card to obstruct the SNC talks.

They insisted on including Sihanouk as a 13th member of the SNC and on making him chairman, which was not stipulated by the Jakarta joint statement. Moreover, Ranariddh's absence from the meeting showed that he took the country's destiny lightly, and that with such a negative attitude, he doesn't seem qualified as a member of the SNC and a representative of the national unity.

"The State of Cambodia, which is in full control of the country's territory administering all the country' affairs, and is eager for an early peace, always demonstrates its goodwill and flexible stance. It has made many concessions so far by accepting the Khmer opposition's participation in the Supreme National Council on an equal footing. However, the tripartite coalition is taking advantage of the State of Cambodia's goodwill for a political solution in an attempt to topple the government of the State of Cambodia.

"We think that it is time for the tripartite coalition to seriously reconsider their position and their 'iron-oxide' method, to honour what they agreed in principle, and not to obstruct the way to peace.

"Now as before, the position of the State of Cambodia has always been to firmly oppose the return of the genocidal Pol Pot clique, but not Prince Sihanouk.

"To bring the first SNC meeting to success, the SNC members should not allow the selection of the SNC chairman to block its work. It is now imperative to appoint an SNC delegation to the U.N. General Assembly to occupy the Cambodian seat, because the Khmer tripartite coalition is no longer holding the Cambodian seat at the United Nations, nor representing Cambodia at any other international forum.

SRV Confers Gold Star Medal on Say Phuthang

BK2109142590 Phnom Penh Domestic Service in Cambodian 1300 GMT 21 Sep 90

[Text] A ceremony was held at Khemarin Palace on the morning of 21 September to confer the gold star medal of the SRV Council of State on Comrade Say Phuthang, member of the party Central Committee Political Bureau, vice chairman of the Council of State of the State of Cambodia, and chairman of the Central Control Commission.

Attending the ceremony were, on the Cambodian side, Comrade Chea Sim, member of the party Central Committee Political Bureau and chairman of both the National Assembly and the front National Council; Comrade General Bou Thang, member of the party Central Committee Political Bureau, vice chairman of the party Central Committee Political Bureau, vice chairman of the Council of Ministers, and chief of the General Political Department of the Cambodian People's Armed Forces; Mrs. Men Sam-an, member of the party Central Committee Political Bureau and chairman of the Cambodian Federation of Trade Unions; Comrade Mat Ly, member of the party Central Committee Political Bureau and vice chairman of the National Assembly and of the Central Control Commission; Comrade Ney Pena, member of the party Central Committee Political Bureau and chairman of the Central Propaganda and Education Commission; Comrade General Tie Banh, member of the party Central Committee Political Bureau, vice chairman of the Council of Ministers, and minister of national defense; and many comrade leaders of the party, state, front, and mass organizations. Present on the Vietnamese side were Comrade Ngo Dien, ambassador extraordinary and plenipotentiary of the SRV to Cambodia, and many officials from the Vietnamese Embassy.

Speaking on the occasion, Comrade Ngo Dien stressed Comrade Say Phuthang's outstanding contribution to building and enhancing the harmonious bond of solidarity, friendship, and cooperation between the two countries and two peoples of Cambodia and Vietnam.

Comrade Say Phuthang expressed profound thanks to the SRV party and government for conferring on him the gold star medal of the Vietnamese Council of State. Comrade Say Phuthang also pledged to continue consolidating the bond of solidarity, friendship, and all-around cooperation between the parties, governments, and peoples of the two countries, making it flourish forever.

Chea Sim Receives Relief Organization Official

BK2209094890 Phnom Penh SPK in English 0426 GMT 22 Sep 90

[Text] Phnom Penh SPK September 22—Chea Sim, chairman of both the National Assembly and the National Council of the United Front for Construction and Defence of the Kampuchean Fatherland, received in Phnom Penh Tuesday Pierre Marchand, president of the "Third World Save the Children Fund", who was on a visit to Cambodia.

Speaking to his guest, Chairman Chea Sim brought out the all-sided achievements recorded by the Cambodian people linking these to the wholehearted assistance of international organizations and friendly countries over the world.

Chairman Chea Sim welcomed Pierre Marchand's visit to Cambodia and thanked the organization for providing material assistance to the Cambodian orphans in Kompong Som city, and in Kandal, Kompong Speu and Siem Reap-Oddar Meanchey Provinces.

After briefing him on the outcome of the Jakarta informal meeting and the position of the State of Cambodia in the search for a political solution to the Cambodian conflict, Chairman Chea Sim expressed his hope that the organization would continue to supply more material aid to the Cambodian orphans and contribute to rebuilding Cambodia and the search for a political solution to the Cambodian conflict.

In reply, Pierre Marchand expressed thanks to the Cambodian party and government for creating favourable conditions for his visit and praised the rapid growth of the State of Cambodia, attributing it to the tireless efforts of the Cambodian party and people in surmounting difficulties left behind by the Pol Pot genocidal regime.

Bou Thang, Officers Attend Religious Festival

BK2309115890 Phnom Penh Domestic Service in Cambodian 1200 GMT 22 Sep 90

[Summary] On 19 September, General Bou Thang, member of the Political Bureau of the Kampuchean People's Revolutionary Party Central Committee, vice chairman of the Council of Ministers, and chief of the General Political Department of the Cambodian People's Armed Forces, and several chiefs and deputy chiefs of various departments of the Defense Ministry offered alms to Buddhist monks at the Lanka monastery in Phnom Penh to mark this year's Pchum Ben Buddhist Festival.

Meeting on Rice Growth in Rainy Season Ends

BK2409060590 Phnom Penh Domestic Service in Cambodian 0430 GMT 24 Sep 90

[Summary] The meeting to sum up the outcome of the 1990 agricultural work, which began on the morning of 22 September, ended successfully on the morning of 23 September.

During the meeting, participants thoroughly discussed and exchanged views on agricultural work, particularly the 1990 rainy season rice growth. The participants also took note of the fact that this year's yield of rice and other crops has faced many obstacles due to insufficient rainfall and prolonged drought in some areas, thereby delaying the rate of output. As a matter of fact, by the end of September, only over 991,400 hectares, or only over 51 percent of the plan, have been planted throughout the country. For this reason, Comrade Chea Song, first deputy agriculture minister, has called on all provinces and cities throughout the country to seek additional measures for implementation according to concrete conditions in each locality and to persuade the peasants to plant crops suitable to the current changing weather and the coming dry season.

Rice Distributed to Refugees in Banteay Meanchey

BK2309150090 Phnom Penh Domestic Service in Cambodian 1300 GMT 22 Sep 90

[Text] On 17 September, Banteay Meanchey Province's Red Cross Committee distributed 24 tons of rice to 463 families made up of 2,391 war refugees staying in the (?Sophi) camp, located approximately five km north of the Banteay Meanchey provicial town. This was the third aid distribution in the second phase of the provincial Red Cross Committee's aid distribution plan. There are three phases of distribution, and each phase lasts one month.

Laos

Minister Attends Nonaligned Meeting in Cuba

BK2109131190 Vientiane Domestic Service in Lao 1200 GMT 20 Sep 90

[Text] Bounteng Vongsai, acting minister of information and culture, left Vientiane this afternoon to attend the third Nonaligned Information Ministers' Conference scheduled to take place in Havana, the capital city of the Republic of Cuba, from 24 to 29 September. The second conference of the Nonaligned Information Ministers was held in the capital of [words indistinct] in early June 1989 and was attended by representatives from some 50 African, Asian, and Latin American countries.

Leaders Receive Messages of Thanks From SRV

BK2309111390 Vientiane Domestic Service in Lao 0000 GMT 21 Sep 90

[Text] Comrade Kaysone Phomvihan, general secretary of the Lao People's Revolutionary Party [LPRP] Central Committee and chairman of the Council of Ministers; Comrade Phoumi Vongvichit, acting president of the republic; and Comrade Nouhak Phoumsavan, chairman of the Supreme People's Assembly [SPA] of the Lao People's Democratic Republic [LPDR], on 18 September received a reply message of thanks from Comrade Nguyen Van Linh, general secretary of the Communist Party of Vietnam [CPV] Central Committee; Comrade Vo Chi Cong, chairman of the Council of State; Comrade Do Moui, chairman of the Council of Ministers; and Comrade Le Quang Dao, chairman of the National Assembly of the SRV. The message reads:

On behalf of the CPV Central Committee, the Council of State, the National Assembly, and the Council of Ministers of the SRV as well as Vietnamese people, we would like to express sincere, profound thanks to you, comrades, the LPRP Central Committee, the SPA, and the Council of Ministers of the LPDR as well as all fraternal Lao people for the best wishes and profound sentiments of fraternity that you have conveyed to the Vietnamese people on the occasion of the 45th anniversary of the August Revolution and the National Day of the SRV. We wish for the increasing development and consolidation of the friendship relations, special solidarity, and all-around cooperation between the two parties, states, and peoples of Vietnam and Laos. We also wish the fraternal Lao people new achievements in the cause of defending and building the country.

On the same occasion, Comrade Phoun Sipaseut, minister of foreign affairs, has also received a message of thanks from Comrade Nguyen Co Thach, minister of foreign affairs of Vietnam.

PASASON Views Failure of SNC Meeting

BK2409063990 Vientiane Domestic Service in Lao 0000 GMT 22 Sep 90

[PASASON article; date not given: "Peace Plan for Cambodia Continues to Drag On"]

[Text] The first meeting of the Cambodian Supreme National Council [SNC] which went on for three days in Bangkok has ended. However, no considerably good results have been achieved because the various Cambodian factions still could not agree on the election of the SNC chairman and on the appointment of a Cambodian delegation to attend the 45th UN General Assembly session.

In the meeting, the Cambodian opposition factions proposed that Prince Sihanouk be made the 13th council member and that he assume the chairmanship of the council, which now comprises 12 members. This proposal has been rejected by representatives of the State of Cambodia, which reasons that in the agreement reached at the recent Jakarta meeting, the Cambodian SNC is supposed to comprise 12 members. When Prince Sihanouk refused to attend the Jakarta meeting for health reasons, his group appointed two delegates to attend the meeting and another two who have since been accepted as council members in accordance with the principles. Therefore, to be fair so neither side has an advantage, the council chairman must be elected from the 12 council members. If Prince Sihanouk would like to join as coucil member now, he must withdraw one of his men from the council and take his place. But, if he should join as the 13th council member, the Phnom Penh government side must then be allowed to add one more member to the council as well. This is honest reasoning appropriate with reality.

The Cambodian opposition factions, however, have refused to accept this reasoning. They have all along adhered to their stand, the result of which the meeting ended with no agreement reached. Failing to elect the council chairman, the Cambodian opposition factions have refused to discuss the appointment of a Cambodian delegation to the UN General Assembly session.

Though no agreement has been reached following the meeting, all the Cambodian factions are ready to hold another one at an early date to prevent further fighting. The time, date, and place of the meeting have not yet been fixed.

In assessing the result of the meeting, high-ranking Thai officials have said it has been beneficial. They have said though no progress has been made in discussing the problem, the various Cambodian factions have jointly discussed a plan to achieve peace in the future. The search for ways to establish peace in Cambodia has been further delayed. However, we have to wait for the result of the efforts.

Philippines

Reportage on U.S. Bases Issue Continues

Official Bases 'Primer', Part 1

HK2509093190 Manila PHILIPPINE DAILY INQUIRER in English 18 Sep 90 p 8

[First part of three-part "A Primer on the U.S. Military Facilities in the Philippines" Issued by the President's Committee on the Bases]

[Text] The issue of the U.S. military facilities is complex. It involves not only the security of our country and R.P. [Republic of the Philippines]-U.S. military arrangements; it also encompasses aspects of the economy, socialists and political issues, as well as the future of the relationship between the Philippines and the United States.

The government is working resolutely to address these issues.

Discussions between the Philippine government and the U.S. government are scheduled for September, 1990. But the Philippine government believes that people's support and a solidarity of vision among Filipinos is important for the expeditious and equitable resolution of the issues. An informed citizenry is essential to gain this support and attain this vision.

What the Constituion Says

Article II: Section 8
The Philippines, consistent with the national interest, adopts and pursues a policy of freedom from nuclear weapons in its territory.

Article XCIII: Section 25
After the expiration in 1991 of the Agreement between the Republic of the Philippines and the United States of America concerning Military Bases, foreign military bases, troops, or facilities shall not be allowed in the Philippines except under a treaty duly concurred in by the Senate and, when the Congress so requires, ratified by a majority of the votes cast by the people in a national referendum held for that purpose, and recognized as a treaty by the other contracting state.

A History

1898—The U.S. begins the build-up of military installations in the Philippines for use against Spanish forces during the Spanish- American War.

1899—The Philippine-American War begins. U.S. forces and installations are used against the Philippine revolutionaries.

1901—The area known today as Clark Air Bases is used by the 5th Cavalry of the United States as a military station.

1902—The U.S. defeats the Philippine revolutionaries. Over 200,000 Filipinos die in the conflict. American rule over the Philippines begins.

1903—The 5th Cavalry military station is formally reestablished as Fort Stotsenburg. Five years later, the Fort is expanded to an area of 63,215 hectares.

1907—The Subic Naval Station starts operations on a military reservation of some 70,000 hectares.

1917—A half-mile runway is built in Fort Stotsenburg and the air facility is named Clark Air Field. The air facility and the Fort are later incorporated into the Clark Air Base in 1947.

1934—The Tydings-Mcduffle Law grants the Philippines independence after ten years or in 1944. The outbreak of World War II delays the granting of independence by two years (1946).

1941-45—World War II. The Japanese invade and occupy the Philippines. The U.S. bases are used by the Japanese against the Americans. Three years pass before the U.S. retakes the islands.

1947—The Military Bases Agreement (MBA) between the Philippines and the United States grants the U.S. 23 bases in the Philippines. These bases become part of the U.S. Cold War military strategy of "forward deployment".

1950-53—The bases play a crucial logistical role in the Korean War.

1965-73—The bases play a crucial logistical role in the Vietnam War.

1989—The Berlin Wall falls. Friendlier relations between the U.S. and the Soviet Union indicate the windling down of the Cold War.

1990—The U.S. continues to maintain 6 military installations in the Philippines. On May 15, the Philippines serves the U.S. the notice of termination of the MBA.

1991—On September 16, the Military Bases Agreement between the Philippines and the U.S. expires.

The Military Bases Agreement (MBA) Through the Years

The Military Bases Agreement (1947)

This agreement as amended governs the presence of the U.S. military facilities in the Philippines. It originally granted the U.S. 23 bases in 13 provinces with a combined area of 250,000 hectares. It gave the U.S. rent-free use of and full comamnd and control over these bases. It had a duration of 99 years or until year 2046.

Some Amendments and Addenda to the MBA:

The Serrano-Bohlen Agreement (1959)
This agreement provided for the return of 17 U.S. bases.

The Ramos-Rusk Agreement (1965)
This agreement reduced the term of the MBA to 25 years starting from 1966 or until year 1991. It stipulated that termination by either side requires one year's prior notice.

The Romulo-Murphy Agreement (1979)
This agreement affirmed Philippine sovereignty over the bases. But it also granted the U.S. forces in the bases "unhampered military operations". For the first time, the U.S. agreed to provide a compensation package for the bases for the five year period of 1979 to 1984.

The Manglapus-Shultz Agreement (1988)
This agreement disallowed the storage or installation of nuclear weapons in the basses without Philippine consent but did not cover the transit, overflight or visit of U.S. planes and ships bearing nuclear weapons. It also provided for a U.S. bases-related compensation package for fiscal years 1990-1991.

Exploratory Talks Joint Communique (1990)
This communique outlined the results of exploratory talks held on May 14 to 18, 1990. During the talks, the Philippine panel handed the U.S. government the notice of termination of the MBA. In accordance with the

Constitution and the Ramos-Rusk Agreement. The talks also addressed the issue of the shortfalls in the U.S. compensation package with the U.S. agreeing to provide additional assistance to the Philippines.

Bases 'Primer', Part 2

HK2509093390 Manila PHILIPPINE DAILY INQUIRER in English 19 Sep 90 p 6

[Second Part of Three-part "A Primer on the U.S. Military Facilities in the Philippines" issued by the President's Committee on the Bases]

[Text]**Issues and Answers Security Concerns**

1. Are the U.S. bases necessary for the security of the Philippines?
Philippine defense authorities acknowledge that the country faces no external enemies or threats. Dramatic shifts in the global scene—the crumbling of the Bertin Wall, the downfall of communism in Eastern Europe, the outbreak of democracy in formerly authoritarian states, and the shift of emphasis from military rivalry to economic competition among nations—have contributed towards significantly lowering the threat of armed conflict.

Military self-reliance, economic growth, and regional cooperation are the best assurances for the security of the Philippines.

2. Will the U.S. come to the aid of the Philippines in the event of attack?
In case of an armed attack on the Philippines, the Mutual Defense Treaty of 1951 commits the U.S. to "act to meet the common dangers in accordance with its constitutional processes." The U.S. however, is not committed to "automatic retaliation" against the hostile forces; any U.S. retaliatory action would depend on prior approval by its Congress.
3. Does the Philippines need the bases to prevent an overthrow of the government by destabilizing forces in the country?

No. Threats arising from both the communist insurgents and the right-wing military rebels can only be addressed effectively by wide-ranging socio-political reforms and sustained economic development. These reforms, along with the necessary military efforts at containing the armed threat, must be accomplished by the Filipino people alone. The U.S. military presence has nothing to do with this task.

4. Are there nuclear weapons in the bases?
The U.S. government has adopted a "neither confirm nor deny policy on this question. There are, however, strong indications of the presence of nuclear weapons in the bases. The 1988 Manglapus-Shultz Memorandum of Agreement stipulates that the storage or installation of nuclear weapons in the Philippines shall be subject to the agreement of the government of the Philippines. The agreement however, does not cover transits, overflights, or visits by U.S. aircraft or ships armed with nuclear weapons.

Nuclear weapons accident response teams (NWART) are stationed both in Subic and Clark, according to Third World Reports, a U.S.-based organization. Nuclear-capable ships such as the nuclear-powered aircraft carriers U.S.S. Enterprise and U.S.S. Nimitz dock regularly at the Subic Naval Base.

5. What role do the bases play in the U.S. military strategy?
The bases are part of the "forward deployment" strategy developed by the U.S. during the Cold War. The strategy positions some elements of U.S. military power as far away from the U.S. itself—and as close to its enemies—as possible. In the event of armed hostilties, the bases will likely be early targets for either a conventional or nuclear attack by an enemy of the U.S. **Economic Concerns**

1. Does the U.S. provide compensation to the Philippines for the use of the bases?
The 1988 Manglapus-Shultz Memorandum of Agreement provides for a base-related compensation package composed of "hard" and "soft" components for fiscal years 1990 and 1991. U.S. commitment to provide this aid is on a "best efforts" basis.

The Annual Breakdown of Components

Hard Component	
Military Assistance Program (MAP)	$ 200 M
Economic Support Fund (ESF)	160
Development Assistance/Food Aid	96
Foreign Military Sales	14.7
Support for Phil Base Commands	4
	———
Total	$ 474.7 M
Soft Component	
Loans and Guarantees	$ 275 M
Trade Concessions for R.P. [Republic of the Philippines] Goods (Requires Berry Amendment) Procurement by U.S. CINCPAC	30
Procurement by U.S. Facilities	50
	———
Total	$ 355 M
(Derived from the 1988 Manglapus-Shultz Agreement)	

2. Did the Philippines get the full compensation packages as pledged by the U.S.?
There were shortfalls in U.S. allocations lor the 1990 bases compensation package amounting to $169.38M, or 20.4% of the package of $829.7M. In the exploratory

talks between the Philippines and the U.S. held last May, 1990, the U.S. agreed to provide the Philippines compensatory assistance in the form of equipment and supplies to address the shortfalls.

Shortfalls in U.S. Allocations

	U.S. Pledge	Shortfall	Compensatory Assistance
Military Assistance	$ 200 M	59.90M	Military Equipment
ESF	$ 160	35.98	High Priority in Allocation
Food Aid/ Dev't Asst	96	28.80	Add'l Food Aid, Medical Equip.
Waiver of Berry Amend	30	30.00	Medical Equip.
Foreign Military Sales	14.7	14.70	Military Equipment
	——	——	
Total	$ 500.7M	$ 169.38M	
(As of May 18, 1990)			

3. How much do the bases contribute to the Philippine economy?

The total contribution of the bases to the Gross National Product of the Philippines for 1990 is projected to be only 1.9% according to figures compiled by the National Economic Development Authority (NEDA) and the Bases Special Operations Team.

4. How important a contribution do the bases make to Philippine employment?

In 1990, the bases provided employment to nearly 130,000 Filipinos of which around 80,000 were employed on-base (direct hire and contractuals) and 50,000 off-base (entertainment and others). The figure for on-base employment is less than 1% of the total non-agricultural labor force of the Philippines, according to the Foreign Service Institute of the Department of Foreign Affairs.

5. What is the government doing to address the potential loss of jobs in the event of a bases withdrawal?

The government is preparing plans to convert the bases into alternative uses, such as a Civil Aviation Complex at Clark Air Base and a Maritime Industrial Complex at Subic Naval Base. In addition to the complex at Clark Air Base, some 600 hectares are being reserved for an airport-dependent and export-oriented industrial complex. For Subic, the following projects have been eyed to complement the Maritime Complex, among others:

1. A fishing port complex
2. The Subic Industrial Center
3. An airport complex

Those presently employed by the bases can seek alternative employment in these projects. **Social Costs**

1. What social problems do the base communities have to deal with?

Some of the social problems plaguing the cities of Angeles and Olongapo are the following:

—Prostitution. Prostitues, aged 13 to 30, comprise 8% to 10% of the population of Angeles City and Olongapo City.

—AIDS. As of November 1989, 35 prostitutes in Olongapo City and 18 in Angeles City have tested positive for the AIDS virus.

—Amerasian Children. In 1987, a total of 30,000 Amerasian children were recorded in Olongapo alone. This proliferation has spawned the practice of putting up "souvenir babies" for sale for prices ranging from $25 to $200.

—Drugs. A 1982 survey revealed that 78% of fourth year high school boys in Angeles City used dangerous drugs, reportedly coming from American servicemen.

—Dislocation of Tribal Minorities. The aetas or Negrilos used to inhabit the area now occupied by the Subic base. They were dislocated without being provided a definite dwelling place. **Political Concerns**

1. How does the R.P.-U.S. Military Bases Agreement (MBA) compare to MBA's between the U.S. and other countries?

In 1947, the Philippines signed the Military Bases Agreement with the U.S., granting the U.S. rent-free use of and full command and control over the bases for a term of 99 years or until 2046. No other MBA entered into by the U.S. has granted it such sweeping rights.

Even now, the R.P.-U.S. MBA, as amended, remains unique in granting the U.S. "unhampered military operations." While "prior consultation" with the Philippine government is necessary for the use of the bases in combat operations, prior consent is not. The U.S. forces here in the Philippines have considerably more freedom of action than they do anywhere else.

2. Is the Philippines reasserting its control over the bases?

Yes. Through the years, the Philippines has actively worked forward a gradual return of the bases to Philippine control. Seventeen bases were returned to the Philippines in 1959. In 1966, the Philippines succeeded in shortening the term of the bases agreement from 99 years to 44 years or until 1991. In 1979, the remaining bases were finally put under Philippine command and only the Philippine flag was allowed to fly singly over the bases.

In 1990, the Philippines again firmly asserted its sovereignty over the bases with its serving of the notice of termination of the bases agreement in 1991.

3. Has the presence of the bases affected U.S. policy towards the Philippines?

Yes. U.S. policy and interest in Philippine affairs often have been geared towards the preservation of the bases.

U.S. intervention helped install Ramon Magsaysay as President when the Huk insurgency threatened the overthrow of the government and jeopardized the presence of the bases.

The U.S. government fully supported the Marcos regime for twenty years through increased military aid and billion-dollar loans. Human rights abuses committed during the regime met only muted U.S. criticism. Several U.S. administrations believed that only Marcos could assure the retention of the bases, a perception Marcos himself nurtured.

In 1989, U.S. Senate Minority Leader Robert Dole stated, (The status of the bases) will condition our overall view toward that country (the Philippines) and will shape all aspects of our policy, our diplomacy, our economic policy and our aid. This is not a threat or a club. It is a fact."

4. Will a bases withdrawal mean the end of friendly relations between the Philippines and the U.S.?
No. The Philippines is committed to continue the friendship the country has had with the U.S. for decades. Discussions on future relations between the Philippines and the U.S. shall focus on a "reorientation of relations" between the two countries towards friendship, security, and cooperation beyond the bases. A new and more mutually beneficial friendship can exist between a U.S. willing to treat all its allies as equals and a Philippines that is sovereign and free.

Bases 'Primer', Part 3

HK2509093790 Manila PHILIPPINE DAILY INQUIRER in English 20 Sep 90 p 10

[Third part of three-part "A Primer on the U.S. Military Facilities in the Philippines" issued by the President's Committee on the Bases]

Government Actions

President Aquino is in complete command of the process of planning and implementing the comprehensive action response of the government to the bases issue. She is advised and supported by the following government bodies: The Philippine Negotiating Panel, with Foreign Affairs Secretary Raul Manglapus as chairman and Health Secretary Alfredo Bengzon as vice-chairman; and the President's Committee on the Bases (PCB), with Executive Secretary Catalino Macaraig, Jr as chairman and Secretary Bengzon as vice-chairman.

The Philippine Negotiating Panel is tasked with representing our country in discussions with the United States on the future of the bases. The PCB is composed of Cabinet members and representatives of the local government and the private sector; it functions as the President's think tank on the bases issue and advises her in planning the government's comprehensive bases initiative.

To address the economic dislocation that would occur in the event of a bases withdrawal, the Legislative-Executive Bases Council (LEBC) is formulating the comprehensive bases conversion plan. It submitted a status report to the President on May 8, 1990 and will submit its final report in October 1990. The President instructed the Cabinet to implement those portions of the plan which can already be started.

In addition, on May 24, 1990, the President created the Bases Special Operations Team, chaired by Public Works and Highways Secretary Florello Estuar, to prepare for and initiate the implementation of the conversion plans recommended by the LEBC and approved by her.

The First Steps. On May 14 to 18, 1990, the R.P. [Republic of the Philippines] Negotiating Panel met with the U.S. panel for exploratory talks on the future of the bases. On May 15, the Philippines served the U.S. the notice of termination of the 1947 Military Bases Agreement. Therefore, in accordance with the Constitution, when the Agreement expires on September 16, 1991. U.S. military facilities will no longer be allowed in the Philippines except under a treaty.

The talks also addressed the issue of the shortfalls in the U.S. base-related compensation. While the U.S. contends that there have been no shortfalls, it has embarked on a full-fledged effort to provide the Philippines with additional assistance.

In view of the amicable settlement of these two items on the agenda of the talks, and pending U.S. compliance with its commitments, the Philippines and the U.S. have agreed to proceed with further discussions.

The coming discussions will no longer focus solely on the bases. Rather they will be on the future of R.P.-U.S. relations. These discussions may lead to new agreement concerning friendship, cooperation and security.

As Rafael Alunan III, spokesman of the Philippine Panel to the Exploratory Talks said on the day the notice of termination was served, "All Filipinos must bear in mind that ours is one nation, with one future. We must continue to build a nation that is peaceful, prosperous, and proud—a nation for ourselves and for our children."

"We are determined to chart a new course in our relationship with our long-time ally.... In this historic event, there is a paramount issue to address... our ability as a people to live out to the fullest the true essence of sovereignty." President Corazon C. Aquino
State of the Nation Address
July 23, 1990

Aquino Affirms Position on Clark

HK2409131590 Manila THE MANILA CHRONICLE in English 24 Sep 90 p 7

[By staff member Lito Zulueta]

[Excerpts] President Aquino affirmed last night the Philippine position to take sovereign control of Clark Air Base and four smaller military facilities of the United States when the bases agreement expires on Sept. 17, 1991. [passage omitted]

Earlier, the Philippines and the U.S. held discussions on the future of the bases, wherein Mrs. Aquino expressed her desire for an "orderly withdrawal" of the U.S. military facilities. "I am pleased with the progress that has been made so far at these talks," the President said. "And I feel confident that our two countries shall arrive at an understanding that will be mutually acceptable and beneficial."

"I welcome the acknowledgement of the United States, a long time ally and friend, that it supports our aspirations and is willing to work with us to advance them," she added. Mrs. Aquino's remarks were especially directed to Filipinos in Southern California, whom she greeted at the start of her program.

The President's broadcast program will be regularly heard over Radio KMAX-FM in Los Angeles starting Sept. 29, based on an arrangement among the Philippine National Bank, the Foreign Information Council, and the Philippine Consulate in LA.

Talks To Cover Subic 'Phasedown'

HK2409140990 Quezon City Radyo Ng Bayan in Tagalog 1000 GMT 24 Sep 90

[Text] President Aquino today said that the removal of Subic Naval Base from the country will be studied and discussed during the next talks. The president issued the statement at the question and answer portion during the Malacanang Press Corps induction today:

[Begin Aquino recording in English—in progress]...matter of sovereignty is best addressed by considering what we believe to be the national interest. And this will always be the guiding principle in so far as the matter of the bases is concerned. But initially we are asking for the Clark Air Base and the four other bases. And in the matter of the phasedown of Subic, which the Americans are asking for, this will be...this is being studied and the matter will be properly discussed in the future talks. Thank you. [end recording]

On the debt negotiation issue, the president said that creditor countries are presently studying the condonation of interest payments:

[Begin Aquino recording in English] Well, first of all he reported to me that he, together with Governor Cuisia, Mr. Espiritu of the Philippine National Bank, and Senator Paterno and Congressman Tevez, were able to meet with Mr. Camdessus of IMF, and Secretary Estanislao also reported to me that he has presented to them our request for condonation of interest payments as I have instructed him to do. He has also met with the Japanese minister of finance, and Secretary Estanislao has impressed upon him the problems that we have now, considering the earthquake...the damage from the earthquake, and also the repercussions because of the Iraq-Kuwait crisis. [end recording]

Disposal of 'Minor' Bases Viewed

HK2409045990 Manila THE MANILA CHRONICLE in English 24 Sep 90 p 7

[By Rolando Pascual]

[Text] Camp John Hay, the 396-hectare rest and recreational center in Baguio City, should be maintained as a reservation for "environmental reasons," according to a conversion plan drafted by the Legislative-Executive Bases Council (LEBC). This wooded military camp is one of four "minor" U.S. military facilities that, according to Foreign Undersecretary Rafael Alunan, spokesman for the Philippine panel in the bases talks, would be closed even if a new treaty was signed by both countries.

John Hay is best maintained as a forest reservation and watershed area, the LEBC said in its report to be presented to President Aquino, Speaker Ramon Mitra and Senate President Jovito Salonga on Oct 4.

The Council had been tasked with drafting civilian and military alternatives to the U.S. bases here in the event of a pullout.

The need to maintain Camp John Hay as a forest reserve was underscored by Baguio City's representative in Congress. "Over the years, willy-nilly, the city has been losing vital watershed to land developers, ancestral land claimants and plain squatters, resulting to an enormous water problem in the city," Rep. Honorato Y. Aquino noted in the bill he had filed in Congress.

But the council's plans for the other camps, mainly the San Miguel Naval Communications Station [Navcommsta] the Naval radio station in Capas, Tarlac, and the U.S. Airforce Wallace Air Station in San Fernando, La Union, appear tentative pending the bases talks.

Prof. Asteya Santiago, the Council's director-general, told the CHRONICLE that their proposals were "predetermined by the existing military facilities of the US." She said it was assumed that the Armed Forces of the Philippines would immediately take over U.S. military camps turned over to the government.

But she said that unlike the coversion plans for Clark Air Base, which is "immediately implementable," the plan for converting Subic Naval Station into a major international ship repair facility, among other proposals, would largely hinge on what facilities of the naval base would be turned over to the government.

But the council said that "should the Americans choose to remove the floating dry docks and take the equipment with them, the option of asking private investors, both local and foreign engaged in the ship repair business, to set shop in Subic remains. Its ultimate goal is shipbuilding."

The U.S. naval radio station in Capas, Tarlac, another U.S. facility to be closed, is covered by the 2,896-hectare Navcommsta complex. The Navcommsta, an extension of the Subic naval station, has been providing radio, teletype and microwave service within the US Seventh Fleet afloat or ashore, Prof. Rolando Simbulan, who has made extensive studies on the bases, noted. The complex has been known for its "enhanced satellite warfare capability."

The 157-hectare Wallace Air Station, on the other hand, has been serving as an air control and warning station, boasting of a radar station control of the country's air defense system. But already, the proposed civilian use of these complexes, as yet another conversion option, had been thoroughly planned out.

The Wallace Station, an extension of Clark, was considered by the council as best suited for "industrial use." This would complement the 600-hectare Industrial Estate proposed to rise in Clark, together with aviation-related industries and the expansion of the Aerospace Development Authority.

The development of this "airport-dependent and export-oriented" estate was expected to be done simultaneously with the conversion of Clark into a 2,400-ha international passenger and cargo terminal.

The Navcommsta, on the other hand, would be developed into a "retirees' village by the sea." Already, 368 houses have been built in the area.

Grande island in San Miguel and peripheral areas of the Wallace Station near Poro Point in La Union would be developed as tourist resort spots.

Ramos Favors 1998 Bases Closure

HK2509133390 Manila Radio Veritas in Tagalog 1300 GMT 25 Sep 90

[Text] Defense Secretary Fidel V. Ramos announced he is in favor of the closure of the U.S. bases in 1998. According to Ramos, 1998 has a historical and psychological benefit for the Filipinos because this will be the 100th anniversary of the U.S. military presence in the country. What is important now, he said, is a gradual phaseout, and not an extension. Ramos stressed that the U.S. should first pull out its forces and military equipment from Clark, rather than from Subic Naval Base.

Also in his news conference, Ramos hinted he may possibly run in the 1992 presidential polls.

Ramos: Clark Base 'First To Go'

HK2509082990 Hong Kong AFP in English 0812 GMT 25 Sep 90

[Text] Manila, Sept 25 (AFP)—Philippine Defense Secretary Fidel Ramos proposed Tuesday that the United States be given a transition period of up to 10 years to withdraw its troops from military bases here.

He said this schedule should apply to Clark Air Base, along with three communication facilities and a rest and recreation installation, but added that Subic Naval Base "would take a much longer period".

He also told a press forum here that the non-communist Association of Southeast Asian Nations (ASEAN) should step up security cooperation short of signing a formal military pact.

Washington proposed last week a scaled down U.S. presence at Clark and Subic that would ensure "adequate operational flexibility" for U.S. forces and said it was open to discussions on turning part of Subic over to commercial use.

Manila proposed that it regain full operational control over Clark and the four support facilities without prejudice to continued U.S. access to them after the current lease runs out on September 16, 1991, and agreed to discuss U.S. proposals over Subic.

"I think it is very, very practicable to work out a schedule of phaseout, which is termination...that is not extension or phasedown," Mr Ramos said. He said this schedule "can encompass an entire period which should be a transition period from one to five years or even one to 10 years depending on the component of the facilities."

Mr Ramos, who retired as Philippine military chief in 1987, said Clark Air Base would have to be "the first to go" because it was "much more flexible than a sea-based military organization" like Subic, and land-based weapons systems delivery was in any case "already becoming obsolete." The U.S. withdrawal from Subic "would take much longer" since Manila needed time to plan converting the facility to commercial uses.

The U.S. ambassador to the Philippines, Nicholas Platt, said Monday that Washington was interested in retaining access to the Crow Valley air gunnery range near Clark, the airlift capability of the air base, and ship repair and training facilities at Subic "to the end of the phasedown process."

Clark, the headquarters of the U.S. 13th Air Force, is responsible for air defense activities in the Western Pacific and Indian oceans. It also houses the 374th Tactical Airlift Wing.

Subic is the primary logistic support base for the U.S. 7th Fleet and is the primary land base of its carrier strike force. It also houses a major ship repair facility.

Both sides have yet to discuss the timetable and monetary considerations after September 16, 1991, and agreed to meet again here next month. Manila currently receives 481 millions a year in economic and military aid from Washington as compensation for the use of the facilities.

Mr Ramos said ASEAN, grouping Brunei, Indonesia, Malaysia, the Philippines, Singapore and Thailand should consider joint training, increasing exchanges of students in military schools and pool resources in the "manufacture of basic defense materials." He said the "new reality" arising from the end of the Cold War gave rise to "more regional-based, multi-polar security arrangements." He said the mainly economic grouping of ASEAN must recognize "the underlying need for security and stability as necessary for economic growth."

Manglapus, Baker To Discuss Bases

HK2509143190 Hong Kong AFP in English 1419 GMT 25 Sep 90

[Text] Manila, Sept 25 (AFP)—Foreign Secretary Raul Manglapus will meet Thursday with U.S. Secretary of State James Baker to discuss the question of U.S. bases in the Philippines, a high-ranking foreign affairs official said here Tuesday.

"It can't be avoided that the bases will be discussed" during the talks in New York, said the official in the Department of Foreign Affairs who requested anonymity. Mr Manglapus is currently in the United States to attend the U.N. General Assembly meeting in New York.

He will probably discuss the bases with Mr Baker after the U.S. secretary of state meets with Mr Manglapus and the five other foreign ministers from the Association of Southeast Asian Nations (ASEAN).

The official said that during their meeting with Mr Baker, the ASEAN ministers would take up Mr Manglapus's proposal for discussions on a Southeast Asian regional security conference, an issue that may affect the U.S. bases.

ASEAN is a non-military alliance that groups the Philippines with Brunei, Indonesia, Malaysia, Singapore and Thailand. The Philippines had previously solicited the other ASEAN nations for their positions on whether U.S. bases should be allowed to remain in this country after 1991.

Mr Manglapus met with U.S. President George Bush's special negotiator Richard Armitage here earlier this month for the second round of talks on the future of U.S. military bases in the Philippines.

The lease on Clark Air Base and Subic Bay Naval Base, the largest U.S. overseas military facilities, expires next year.

During the earlier talks, Washington proposed the gradual reduction of U.S. forces in the Philippines while Manila asked that Clark, in the north of the country, be turned over to full Philippine control when its lease runs out.

Mr Manglapus had previously said no talks would be undertaken until the third-round of negotiations with Washington resume in Manila on October.

CPP Chairman on Bases Retention

HK2509100590 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 25 Sep 90

[By Rey Arquiza from the Department of Foreign Affairs—italicized portions in English—live or recorded]

[Text] Joma Sison, chairman of the Communist Party of the Philippines [CPP], believes that the Philippines and the United States have already forged an agreement to maintain the U.S. military bases in the country. In a press statement sent from the Netherlands, Sison said that the Philippines-U.S. talks on the U.S. military bases was simply a farce. He added that use of terms such as orderly withdrawal, phasedown and transition period was an attempt to circumvent the provisions of the Constitution on the maintenance of U.S. bases in the country.

Joma Sison further stated that *it is an act of treason* on the part of President Aquino and Foreign Affairs Secretary Raul Manglapus *to give lip service to Philippine national sovereignty* and then to maintain the U.S. military facilities in the country.

According to Joma Sison, based on the Philippines-U.S. Military Bases Agreement, the removal of U.S. military bases should take place one year before the expiration of the Military Bases Agreement in 1991. He added that dismantling of the bases would take less than one year and claimed that he could not understand why the United States could not accomplish that within a year.

Joma Sison also called for the continuation of protest actions against any planned retention of U.S. military bases in the country.

Aquino Not To Cancel Nov Visit to Japan

HK2509053590 Manila DWIZ Radio News 882 in Tagalog 0400 GMT 25 Sep 90

[Text] Japan has expressed support for the Philippines and eight other countries seriously affected by the Gulf crisis. This was announced by President Aquino. She added that Japanese support to the country will come in the form of financial assistance.

Meanwhile, the president also announced that she will push on with her visit in Japan in November this year to attend the coronation of the new Japanese emperor, Prince Akihito. It will be recalled that the president's other foreign visits were all cancelled due to threats to internal security.

Aquino Addresses Pampanga Peace Rally 25 Sep

HK2509043590 Quezon City Radyo Ng Bayan in Tagalog 0250 GMT 25 Sep 90

[Speech by President Corazon C. Aquino before peace rally held in the Pampanga Sports Complex in San Fernando, Pampanga—live—italicized portions in English]

[Text] *Governor Bren Guiao, Mayor Paterno Guevarra, the honorable members of Congress,* local government leaders of Pampanga Province and neighboring provinces, *fellow workers in government,* my dear countrymen:

Thank you very much for your kind and warm reception. I wish also to thank your industrious Governor Bren Guiao and the other governors from Central Luzon for organizing this peace rally. [applause]

I thank you all for attending this peace rally. A while ago, I was being teased by my companions over there, saying that Kris [refers to daughter Kris Aquino] seems to have upstaged me. [cheers] That is alright with me. And I say to my opponents: Be prepared. If Cory does not run for office, maybe Kris will. [cheers]

By the way, that is just a joke. It will never come true. My only request to Kris is for her to invite the young people to help us in maintaining peace. I also asked her to help all our congressmen, senators, governors and mayors who are helping her mother and our countrymen.

We all aspire for peace and we all think of ways to strengthen our democracy. Which is why I thought of forming the Partnership Movement [Kabisig] because I believe that through this movement, we can strengthen our democracy.

Here in Pampanga, you have the so-called Pampanga Development Foundation which was established by Governor Guiao with the help of Roy Navarro of SGV [Sycip, Gorres, and Velayo accounting firm]. They have been able to help many Pampanga residents set up livelihood projects. And as was mentioned earlier, the people behind the livelihood projects were able to fully repay their loans to their creditor, the Economic Foundation of Pampanga.

In Tarlac, we also have a good foundation established by Bernabe Buscayno, better known to us as Comrade Dante. He formed a cooperative which, from a beginning of 500 farmers, now boasts 10,000 farmers. They are able to support themselves through hard work and industry and have achieved great progress.

In Bulacan, from where Governor Pagdanganan, the director general of Partnership, hails, there exist also many cooperatives which help the people of Bulacan.

What do we need here in our country? In my opinion, we need to emulate the successful projects in various provinces, such as the Foundation in Pampanga, the Comrade Dante's cooperative in Tarlac, and the Bulacan cooperatives. I know that Comrade Dante visited different provinces to impart his experience to other farmers. Governor Guiao informed me that they, too, extend their assistance to other provinces. For instance, following the earthquake, Pampanga extended a helping hand to the province and people of Nueva Vizcaya.

I know that Bulacan helps Nueva Ecija which also suffered from the earthquake.

You know my opponents blame me for many things. Was it my fault that we had a coup attempt last December? Was that not the fault of military rebels who wanted to grab power and destroy our democracy? I say to them: If you want to obtain power, do so by running for office in 1992 and ask the people for their support. Power grabbing is simply not tolerable. [applause]

Now, after the coup, we experienced a serious drought with many provinces suffering from poor harvests because of water shortage. After the drought came the earthquake which brought enormous destruction to our country. However, we are now carrying on with reconstruction and rehabilitation. And I have chosen a Pampanga resident to supervise reconstruction and rehabilitation in the earthquake-affected areas. He is Secretary Ping de Jesus, also from the province of Pampanga. [applause]

After the earthquake came the Gulf crisis. Trouble took place in Iraq and Kuwait. And as we have a huge number of compatriots working in Iraq and Kuwait, we again encountered a big problem. This is the reason for the rise in oil prices.

Then came the floods. And I know that many places in Pampanga were also flooded.

Now, we are bound to think about all these problems confronting us. However, I am confident that we Filipinos are capable of solving these problems. We can cope with the challenges facing us.

I do have good news for you. It is true that we wonder what is going to happen to us. We have no oil. Just a bit in Palawan. However, Pat de la Paz, of the Office of Energy Affairs, reported to me yesterday, saying that *in the next 15 months, we will have oil drilling operations of about 15 to 19 wells.* He also informed me that out of this program, three confirmatory drillings will be *conducted by Royal Dutch Shell of the Netherlands and Occidental Petroleum of the United States. These drillings will confirm the Camago natural gas discovery which was drilled late last year. On the Camago well, these two companies have come up with an evaluation report, indicating a probable reserve of 1 trillion cubic feet of gas and 37 million barrels of oil reserve.*

The confirmatory drillings will start in January next year *and by the middle of next year,* we will know whether we have huge natural gas reserves there or not. If that should be proven so, our problems will ease a bit. Even if we say that it will take some time to actually use the gas, at least discovery of a large reserve will open the way to more assistance from other countries who would want to help us in meeting our own energy requirements.

Our peace rally began today and I hope that the rest of the country will emulate Central Luzon. I hope that demonstrations for peace and for constitutional democracy will be held all over the country.

We Filipinos will have to help ourselves. While it is true that we get assistance from other countries, we ourselves should show them that we can rise up to rebuild our country and to take care of our countrymen, and that we only need their assistance in these times of great adversity. Secretary Estanislao, who is now in Washington, informed me that he has approached different finance ministers presently congregating in Washington to seek their assistance. He told me that he has spoken to the finance minister of Japan and has conveyed to him my instruction to seek relief from debt repayments.

Again, many thanks to our beloved countrymen in Pampanga and in all of Central Luzon. I always count on you. I wish you well and let us pray to God.

Long live the Philippine people.

Aquino Orders Antibombing Security Measures

HK2409110190 Quezon City DZBB Radyo Bisig Bayan in Tagalog 1000 GMT 24 Sep 90

[BY Rey Pacheco]

[Text] President Corazon Aquino ordered the military today to enforce tight security measures in order to prevent any bombings in Metro Manila. President Aquino issued the directive following two separate bombing incidents at two five-star hotels in Makati yesterday. The bombed hotels were Hotel Nikko and the Mandarin Hotel.

In an interview with Malacanang reporters, the president said these incidents should be stopped because they ruin the economy, saying this affects our tourism industry and pushes away foreign businessmen who want to invest in our country.

According to the president, Finance Secretary Jose Estanislao rang her up from the United States to inform her that the news about the hotel bombings has already reached the U.S. Estanislao, together with Central Bank Governor Jose Cuisia, Philippine National Bank President Edgardo Espiritu, Representative Margarito Tevez and Senator Vicente Paterno are currently in the U.S. negotiating with foreign creditors for debt relief.

The president did not cite the measures to be enforced, but they may include the setting up of checkpoints in various parts of Metro Manila. In this connection, the president urged the public to cooperate with these measures.

When asked to comment on renegade Colonel Gregorio Honasan's statement that the Aquino government would fall very soon, the president said she does not want to comment on Honasan because he does not deserve any attention.

In the middle of the present violence, the president said she will not declare martial law. President Aquino expressed the belief that if this wave of terrorism and violence are unanimously condemned by the public, these troublemakers will finally stop because they will realize they do not have the public's support.

Capcom Chief Orders Tighter Hotel Security

HK2509052790 Manila DWIZ Radio News 882 in Tagalog 0400 GMT 25 Sep 90

[Text] Capcom [Capital Regional Command Chief] Chief and MPF [Metropolitan Police Force] Director Brig.Gen. Marino Filart ordered Col. Ernesto Diokno, WPD [Western Police District] superintendent, and Col. Remy Macaspac, Makati Police chief, to deploy additional policemen in areas surrounding large hotels and establishments in Metro Manila. The said Filart directive was issued to ensure the safety of tourists as well as Filipinos in the said places.

According to Filart, the order was issued after the bombings of two Makati hotels wherein five foreigners and two Filipinos were seriously injured. In related matters, Filart said that the deployment of policemen must be agreed on by the hotel management.

De Villa Says Military Ready for Protests

HK2309003990 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 22 Sep 90

[Text] AFP [Armed Forces of the Philippines] Chief of Staff General Renato de Villa today ordered the PC-INP [Philippine Constabulary-Integrated National Police] to arrest and file charges against any person found to be engaged in violent and other seditious activities. De Villa issued the order following the increase in oil prices.

In a press statement, De Villa asked the public to remain alert as the country is confronted by problems caused by the Middle East conflict. He also assured the public that the AFP is prepared to defend the security of the country against any disturbances. The security forces of the AFP are prepared to uphold the security of the people. However, De Villa also warned about rebel groups taking advantage of the situation to agitate the people and seek to overthrow the current administration.

Here is the press statement by De Villa as read by AFP Spokesman Colonel Juanito Rimando:

[Begin recording in English] The AFP hopes that protest actions to be taken by various groups will be done within constitutional processes as illegal actions will only exacerbate the situation and make life more difficult for the great majority of our people.

As the AFP chief of staff, I wish to announce to the public that the Armed Forces of the Philippines are adequately prepared to cope with any security situation arising out of this predicament in which we find ourselves. We have made ready the security forces to ensure the safety of our law-abiding citizens as they go about their normal chores. I also wish to assure our citizens that the AFP will maintain law and order under any condition that may develop as a result of the decision to increase oil prices.

I have also directed the PC-INP to arrest and file charges against anyone who provokes violence or engages in seditious activities. [end recording]

Davao Protest by Transport Groups 'Succeeding'

HK2409111390 Manila Radio Veritas in Tagalog 0900 GMT 24 Sep 90

[Excerpt] The protest by transport groups in Davao is said to be succeeding. In this connection, a group of militant students were arrested due to a noise barrage in support of the protest against the oil price hike.

Meanwhile, one of two explosives hurled at the Amparo building in Davao exploded this morning. No one was hurt in the incident.

From reports gathered by the DGNFM News Bureau from the San Pedro Patrol Station, it was learned that most of the protesting students were from the Ateneo de Davao University, Holy Ghost of Davao College and the University of Mindanao. [passage omitted]

Human Rights Groups Urge Talks Without Truce

HK2409050990 Manila THE MANILA CHRONICLE in English 24 Sep 90 p 7

[By Julie Javellana]

[Text] Leaders of militant human rights groups and a moderate political party have said that a ceasefire should not be a prerequisite to peace talks.

Bagong Alyansang Makabayan [New Nationalist Alliance] (Bayan) chairman Lidy Alejandro said she didn't want the prospect of peace talks to be "bogged down by a ceasefire.

Philippine Alliance of Human Rights Advocates (Pahra) secretary general Mercedes Contreras said that although a ceasefire is the "more creative approach to peace talks," it poses dangers, too.

"Maaaring magsimula kayo at matapos sa ceasefire ... Mauubos yung oras mo sa ceasefire. baka matapos at matapos na yung talks, yan (ceasefire) lang ang mapag-usapan [You may start and end with the ceasefire ... Time will be consumed by the ceasefire. The talks may already be over and only the ceasefire will be discussed]."

Nathaniel Santiago, head of the League of Filipino Students (LFS), said history has shown that peace talks could be held in times of war.

Renato Constantino Jr., chairman of the National Movement for Civil Liberties (NMCL), has a similar view, saying peace talks were held even during the Vietnam war in the 70's. "Even while they (the United States and Vietnam) were having peace talks in Paris, the war was escalating in Vietnam," Constantino said. "But we can talk peace while we're still engaged in combat," he added.

Norberto Gonzales, chairman of the moderate Partido Demokratiko Sosvalistang Pilipino [Philippine Social Democratic Party] (PDSP), said that it's (the peace talks) the easier thing to do than to have a ceasefire at this time." He, however, said ceasefire is remote because "fighting the NPA (New People's Army) is a very big issue in the military. The more dedicated you are to fighting the communists, the more acceptable you are inside the armed forces."

Alejandro said the peace negotiators are "missing the point entirely" by imposing too many requirements for the peace talks, ceasefire being one of them.

Contreras also said that the proposed peace talks were a long-term solution to the short-term one being sought for in a ceasefire. "But I'm not saying it's not important," Contreras said.

"It would of course be better (having a ceasefire)," Constantino said. "It would set better conditions, a better atmosphere for peace talks." Alejandro added that a nationwide ceasefire would be "ideal" because "the nation needs it at this point." But, Alejandro said, "the government is giving all sorts of impossible conditions" like, she said, laying down arms which is "tantamount to unconditional surrender."

"No politicking muna [political first]," Gonzales said." ... I think we really have come to a point where we abhor violence already. Ang gusto naming pag-usapan peace talaga [What we really went to talk about is peace]. Nothing else."

De Villa Warns Soldiers About RAM Tactics

HK2409054990 Manila MANILA BULLETIN in English 24 Sep 90 p 1, 22

[By Wilma N. Yamzon]

[Text] Gen. Renato de Villa, chief of staff of the Armed Forces of the Philippines (AFP), said yesterday the ultra rightist Reform the Armed Forces Movement (RAM) is taking advantage of current crises in the country.

In a dialogue with a group of officers and men at Camp Aguinaldo De Villa urged soldiers not to be deceived by the ultra-rightists' "continuing attempt to enlist support and recruit members from the AFP."

"It is clear that the RAM intends to take advantage of the situation in the aftermath of natural calamities and the crisis in the Middle East to foment anxiety and instill fear among the citizenry," he said.

Earlier, fugitive excolonel Gregorio "Gringo" Honasan circulated a letter to newspaper offices criticizing the government for its failure to promote peace and stability in the country and achieve economic and social developments. In his letter, Honasan blamed President Aquino for the hardships being experienced by the people today. Honasan cited various reports from newspapers criticizing the President for "being a weak leader."

De Villa said "Through bombings, threats, and other terroristic acts, they hope to create an atmosphere of national crisis and social unrest. Through propaganda and falsehoods, they hope to divide and weaken the AFP." He said that the "sacred mission of the AFP is to protect the people and the State."

He told soldiers that "in these challenging times, the nation needs us more than ever to maintain the stability and security of the country."

Laurel Calls for Halt to Drive Against Noble

HK2409055990 Manila MANILA BULLETIN in English 24 Sep 90 p 1, 22

[Text] Esperanza, Agusan del Sur—Vice President Salvador H. Laurel urged yesterday the government to "seek all avenues for the peaceful solution of the conflict in Agusan and to stop the military offensive against renegade ex-Col. Alexander Noble."

Laurel said that "there is a clear consensus among the representatives of over 11,000 evacuees here and even the provincial and local officials and multisectoral groups in Butuan City that the military operations are causing so much physical, emotional, and economic hardships on the people in the area and should be suspended."

"This tragic spectacle must stop. Senseless killings of Filipinos by Filipinos involving an enormous drain in military manpower and resources are too high a price to pay for the capture of just one man," Laurel said.

He cited a petition signed by Esperanza officials led by Mayor Filomeno Colon and the evacuees, "appealing for the immediate cessation of the military offensive against Noble so that they could return to their homes and resume normal lives."

"While the military is doing a good job in looking after the day-to-day subsistence and welfare of the evacuees, the protracted hostilities are already exacting their telling multiplier effects on the local economy of Agusan del Norte and del Sur," Laurel said.

Even the Department of Social Welfare and Development (DSWD), through Regional Director Leticia Gumbao, reported that it is no longer able to provide food, clothing, and other needs of thousands of evacuees, he added.

Rep. Charito Plaza, who accompanied Laurel in his visit, said she and Reps. D. O. Plaza and Edelmiro Amante had filed a resolution "urging a peaceful resolution of the conflict."

The petition said the military offensive "has worsened the economic difficulties of Agusan del Sur and Agusan del Norte which, stil recovering from economic dislocations due to the government ban on logs and lumber, have now to contend with the dislocation problems of thousand of evacuees."

Before proceeding to this town, Laurel was briefed on the progress of the military operations against Noble by Maj. Gen. [Major General] Manuel Dizon, Southern Command chief, and Brig. Gen. [Brigadier General] Miguel Sol, "Oplan Kalinao" [Operation Clearout] Task Force commander, at Camp Siongco and Butuan City.

"If the government has abundant patience in pursuing ceasefire talks with communist and Muslim insurgents, why not apply this same patience to the rebel soldiers? In fact, the government should reconcile first with the rebel soldiers so that it could have a stronger leverage in negotiating peace talks with the other insurgents," Laurel said.

During the briefing, Dizon said "the capture of Noble who is fighting a guerrilla war in the innermost jungles of Agusan may take some time." "Our aim is to cut off the support of his civilian sympathizers and give them time to realize the unworthiness of Noble's cause," Dizon said.

The general denied reports of a news blackout on the military operations against Noble. "We merely instructed our military commanders to refrain from issuing unnecessary statements to media that will worsen the issue, considering the growing unrest throughout the country," he added.

Laurel was accompanied here by Dizon, Brig. Gen. Emiliano Temple, retired major general Cesar Tapia, Laurel's military adviser, and a group of local and foreign newsmen.

"I will submit my report and recommendations on the Noble operations to the 'Citizens Crisis Forum' which is scheduled to meet on Oct. 13," Laurel said.

Justice Secretary Interviewed on Peace Talks

HK2509115190 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 25 Sep 90

[Interview with Secretary Franklin Drilon of the Department of Justice by Vic Pambuan—live or recorded; place and date not given]

[Text] [Pambuan] Good afternoon Secretary. What exactly is the government's position on the peace talks?

[Drilon] We are going to push through with our talks with Senator Tanada's group and the nongovernmental organizations and church leaders whom we have been talking to, to find out what happened which made Mr. Kintanar come up suddenly with his statement that they no longer want the peace talks and that they want to go back to their former ways.

We will discuss this with the group of Senator Tanada and find out where all this is headed. For our part, we were discussing yesterday the request by Senator Tanada's group to include the other provinces affected by the earthquake in the areas covered by the suspension of hostilities. But with this statement issued by Kintanar, we have to ask them whether our talks will still push through.

[Pambuan] Secretary, we have heard that you will be having talks this Friday.

[Drilon] There are talks scheduled for Friday, and this was agreed upon before we adjourned last week. This is really set for Friday.

[Pambuan] Are there any reasons why Kintanar, this CPP-NPA [Communist Party of the Philippines-New People's Army] group, decided to back out of the peace talks?

[Drilon] I do not know what happened. All I read in the papers was that Mr. Kintanar claimed that this was because of the increase in oil prices. In my opinion, I do not see any connection between this issue and our talks for the restoration of peace in our country.

[Pambuan] Joe Taruc [DZRH radio anchorman], you might want to ask the secretary some questions.

[Taruc] Good afternoon Secretary. You know, sir, the citizens are not clear on whether Romy Kintanar is one of the representatives from the left to whom Senator Tanada has been talking. What news do you have about this?

[Drilon] I am not sure whether Mr. Kintanar is included. Senator Tanada has mentioned that they have been talking to people from the left, saying that these people are high in the organization. We believed them, and if we look back to as far as the third week of July, there have been no sparrow [NPA liquidation unit] operations in Manila. That's why we are of the view that Senator Tanada has been talking to the right officials, because we have not noticed any sparrow operations taking place in Manila. But whether he has spoken to Mr. Kinatanar, I do not know about that.

[Taruc] Yes. Personally, Mr. Secretary, what is your view regarding the future of these peace talks?

[Drilon] Well, Joe, we shall see on Friday. We shall find out from Senator Tanada what this is all about. It is saddening that this has to happen. However, we have no control over the CPP-NPA's intentions, and so we will just take it from there and ask Senator Tanada on Friday.

[Taruc] Does this statement of Mr. Kintanar have any effect on the peace talks?

[Drilon] This has a big effect, because the declaration of suspension of hostilities is based on their unilateral declaration of suspension of hostilities. That's why, in response, the government did the same.

[Taruc] Thank you, Secretary Drilon.

[Drilon] Thank you, Joe.

Tanada Disappointed With NPA's Decision

HK2509111590 Quezon City DZBB Radyo Bisig Bayan in Tagalog 1000 GMT 25 Sep 90

[By Arnold Clavio]

[Text] Senator Tanada expressed disappointment over the latest decision of the New People's Army [NPA] high command, supporting the National Democratic Front [NDF], to resume their military operations in places where a unilateral cease-fire was declared last July.

In a news conference, Senator Tanada, one of the peace advocates, said that the statement by NPA chief Romulo Kintanar ruined the peace process efforts of the country:

[Begin Tanada recording in English—in progress]...process we are helping to put in place has been set back by the declaration of the NPA high command, ordered by the NDF, of the resumption of military operations in areas where they unilaterally declared a cease-fire last July. We are disappointed by this development. [end recording]

It is recalled that the NPA linked the resumption of their offensives to the government's decision to increase oil prices, the violent dispersal of a peaceful demonstration regarding the dismantling of the U.S. military bases, and the government's strong stance on teachers' grievances.

Senator Tanada proposed that, in order to speed up the peace process, the Aquino government should seriously respond to the major problems which have resulted in the division of Filipinos. He announced that the Cabinet Cluster E, headed by Justice Secretary Franklin Drilon, continues to hold meetings and is considering naming more provinces where a unilateral cease-fire would also be declared. These include Ifugao, Kalinga-Apayao, Pangasinan and Nueva Ecija. Tanada reported that the peace groups have communicated with the extreme rightists, particularly with the detained soldiers involved in the previous coup d'etat, who said that they will study the government's program for peace. Tanada expressed the hope that the peace process would finally succeed despite the NPA-NDF withdrawal from the talks:

[Begin Tanada recording in English] We do not believe so. In fact this afternoon, we will be having a meeting with the peace advocates and we will be discussing how to proceed and pursue these peace talks. [end recording]

Intelligence Analyst Sees NPA Behind Bombings

HK2509110390 Manila Radio Veritas in Tagalog 0900 GMT 25 Sep 90

[Text] The statement issued by New People's Army chief Romulo Kintanar calling for intensified offensive operations against the military is an indication of the movement's link to the series of bombings rocking Metro Manila recently. This was the analysis made by Colonel Carlos Tanega, head of the AFP [Armed Forces of the Philippines] Intelligence Service, or ISAFP, to some members of the defense press corps.

According to Tanega, the bombings have shown a pattern indicating that they were the handiwork of both amateurs and professional terrorists. And while the AFP intelligence expert declined to give more details about the so-called pattern, he added that it was clear that the bombings were intended to undermine the government's image as well as to sabotage efforts for economic recovery.

It will recalled that terrorists bombed the Hotel Nikko-Manila Garden and the Mandarin Oriental Hotel, both five-star hotels situated in Makati which are favorites among foreign tourists and businessmen. As of broadcast time, the rebel New People's Army has only admitted responsibility for the bombing of the Voice of America transmitter in Capas, Tarlac.

Laurel Seeks Cut in Proposed 1991 Budget

HK2409102990 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 24 Sep 90

[Text] Vice President Salvador Laurel asked the Senate to return to President Aquino the 1991 budget which it is presently studying, and reduce it by not less than 50 billion pesos. The vice president disclosed that the Aquino cabinet is the biggest administration compared to other big countries and governments worldwide. For more details, here is Cesar Chavez, DZRH Mobile 9:

[Begin recording] [Chavez] In his speech before the Makati Rotary Club, Laurel said that the proposed 302-billion-peso national budget is too much and is based on the wrong plan:

[Laurel in English] I believe that the executive should reduce the proposed budget of 302 billion for at least 50 billion pesos. And this can easily be attained by simply imposing strict standards of frugality on all agencies of the government. These savings should then be transformed from agency savings to national savings, so that they can be used to soften or cushion the impact of rising prices on the lower income groups in our society.

[Chavez] Earlier, Laurel reiterated Senator Juan Ponce Enrile's disclosure that of the proposed 1991 budget, 3.4 billion pesos was allocated for the retention and support of 34 cabinet secretaries, 188 under secretaries, and 908 assistant secretaries.

Laurel disclosed that according his study, the Aquino government has the biggest cabinet in the world. Laurel cited that the U.S. has 14 cabinet members only; Japan has 20 cabinet members; Indonesia, which has the biggest population in Asia, has but 20 cabinet members. These countries progressed, but the Philippines, which has 34 cabinet members, continues to get poorer.

[Laurel in English] I suggest that all national leaders unite behind the program of sharing the burden with our sovereign people during this period of necessity. [end recording]

Thailand

Vietnamese Envoy Discusses SNC Meeting

BK2509022190 Bangkok BANGKOK POST in English 25 Sep 90 p 6

[By Phichai Chunsuksawati]

[Text] Peace talks aimed at settling the Cambodian conflict have reached a "difficult and complicated" stage, Vietnamese Ambassador Nguyen Trung told the BANGKOK POST yesterday.

Ambassador Trung made the comment when referring to the Supreme National Council meeting last week and current effforts to hold another meeting of the four warring factions.

As Thai officials meet with the Cambodian resistance yesterday to discuss the possibility of holding another SNC meeting this week, Ambassador Trung said he did not expect the meeting of the Cambodian factions would be easy.

Referring to the first SNC meeting, the ambassador said: "I did not expect we would have an easy stage in the process of finishing a solution of the Cambodian problem." "I think that the more we go deeper into the final stages of discussion, the more complicated the problem becomes," Ambassador Trung said. The reason, he said, is that everything at this stage has to be discussed in detail. This "difficult stage" is natural, he said.

The ambassador said the difficulties were similar to the final stages of peace negotiations between Vietnam and France in ending the Indochinese war in 1954 and talks between the United States and Vietnam in the late 1960s and early 1970s.

These two examples had made the ambassador realise that "the last phase of negotiations is very, very difficult". Despite the difficulties ahead, Ambassador Trung said he was "hopeful" of success for two reasons—that a peace plan had been drafted by the permanent five members of the United Nations, which has already been endorsed by the UN Security Council, and the result of the Jakarta meeting. "These two important successes are major factors for a comprehensive solution," the ambassador said. "These two reasons are crucial and would be the basis for the whole solution."

Ambassador Trung described the two developments as "irreversible" and said they provided grounds for optimism for another round of talks among the warring Cambodian factions. The ambassador said the Thai Government was courageous in hosting the SNC last week. "Of course the outcome of the meeting was not what we would have liked to see but I think that the goodwill and the courage of the Thai Government must be recognised. Without such courage and willingness to take risks then nothing would happen. I appreciate this very highly." The ambassador noted that the SNC meeting in Bangkok last week "made clear what the difficulties are to be overcome" and should act as a warning.

Asking whether he thought the proposal to make Phnom Penh prime minister Hun Sen vice-chairman of the SNC was the problem of last week's meeting and what his views were on the proposal, Ambassador Trung said: "We are at a phase where there are so many internal problems of the Cambodian people that I think that it is very important for all outsiders, including Vietnam, Thailand and the United States, to encourage the Cambodian parties to boost the negotiations to make it a success."

"We should encourage them to discuss the issue among themselves. I believe they are able to solve their own problem."

Asked to comment on the recent position of the Sihanoukists and resistance leader Son Sann that Prince Norodom Sihanouk should be chairman and the other 13 members retain "equal status," the ambassador said the Cambodians "should settle the problem themselves". The ambassador said the deadline for a breakthrough was not far off. The Cambodians should move swiftly to appoint their delegation to the United Nations, he said.

When asked again about the question of the vice presidency, Ambassador Trung said that "if I do something and I find out that this way is not possible then it is instinctive that I must try to do (it) another way. But I think now, after last week's meeting, every Cambodian side understands what difficulties they have."

Asked if he foresaw any problems in implementing the UN plan, assuming that the Cambodians are able to settle their problems regarding the SNC, the ambassador said: "I think there will be many difficulties in detail—in everything, in all aspects. For example: how to implement the ceasefire, how to control the ceasefire and how to eliminate every military activity in the whole process to make the guarantee that every Cambodian can have full freedom of to vote. In everything I would like to say that it would be very, very difficult," he said.

Editorial on Sihanouk Move, Chance for Peace

BK2309084790 Bangkok THE NATION in English 23 Sep 90 p B1

[By Atthawibun Sisuworanan]

[Text] Prince Norodom Sihanouk, titular leader of the Cambodian resistance coalition, made a decisive move late last week that would help prevent his war-torn country from plunging deeper into a quagmire of fighting and move the peace process forward.

He acquiesced to a demand of his rival, the Hun Sen government in Phnom Penh, for equal share of seats between the two sides by agreeing to give an extra seat in the newly-created Supreme National Council (SNC) to the Phnom Penh government in an exchange for his being elected as chairman and the 13th member of the Supreme Council.

The prince's decision, if agreed by all resistance leaders, would remove an obstacle to the functioning of the SNC whose main task is to materialize a reconciliation among the warring Cambodian factions and work with the international community in formulating and implementing a peace plan.

The SNC, which was created recently by a peace agreement reached by Cambodian leaders in Jakarta on September 10, had been activated during its first meeting in Bangkok early this week. Its immediate tasks were to settle a question of its chairmanship, electing its delegation to replace a joint resistance seat at the United Nations and discussing other peace measures—including a voluntary ceasefire and cessation of external interference.

But after three days of talks, the 12 members of the SNC, six from the Phnom Penh government the other six from the three resistance factions, could not successfully agree on what conditions Sihanouk would enter into the SNC eventhough all of them were willing to accept him as their chairman eventually.

The resistance factions demanded that Sihanouk must be elected chairman and 13th member of the SNC—a condition that would imply the SNC's implicit recognition for the prince to be Cambodia's future head and thus giving him an edge in mediating for national reconcilation. But the Phnom Penh government rejected the request simply because it claimed that this would tip the balanced SNC and destroy the principle of equal representation of the two governments in the reconciliatory body.

Though this might seem mind-boggling and at the same time a trivial argument, analysts however believe that Hun Sen wanted to block the prince from using his "extra" position to wield an upper hand to the resistance side.

Wrangling over the SNC chairmanship halted the council from proceeding into other set agenda, particularly the formation of its UN delegation to the general assembly. However, Sihanouk's reversal, if agreed to by all factions, would help the SNC break away from the current impasse to form the UN delegation and at the same time reviving hope in the international community who want to see the fledgling SNC take off from its formative stage in Jakarta.

Sihanouk's latest proposal arrived in the light of reports that strong international pressure is mounting on him to end his temporary self-exile from politics and cooperate actively with the global peace attempt.

The presence of an SNC delegation to the current UN general assembly meeting would also help relieve the burden of the world community in deciding whether or not to vacate the Cambodian seat at the UN—a question that would likely drive a wedge into the world community itself.

ASEAN countries had announced during their annual ministerial meeting in July in Jakarta that they were willing to defend the resistance-held UN Cambodian seat, while the US and its Western allies declared they would vote to vacate it.

Sihanouk's decision also silenced those who had earlier blamed Thai officials (who organized the SNC meeting) as the main factor that caused the meeting's failure because of the Thais' inclination toward Phnom Penh and lack of sensitivity to the "complexity" of political conflict among the Cambodian factions.

Those who hurled brickbats said the Thai mediatory role was partial, infantile, and lacking in diplomatic skills. The critics added Thai officials were neglecting Sihanouk's transient position beyond the Cambodian conflict.

The prince's acceptance however to give an extra seat to the Phnom Penh government was tantamount to complying with the political realities that indicates that he himself is part of the conflict. He realized finally that a balanced formula for the SNC must be based on the principle of "equal representation" of the two existing governments in Cambodia.

Ironically, although Sihanouk's proposal came as a relief against the current deadlock, it is far from helping resolve a fundamental contradiction in the internal aspect of the Cambodian problem—the question of power-sharing.

A Cambodia-watcher said while retaining equal representation between the two contending governments, Sihanouk's proposal had created an inequitable distribution of seats within the resistance factions themselves. In the SNC, the number of the Sihanoukist FUNCINPEC's [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] members would increase to 3, while the other two resistance factions still hold on to their 2 members each.

"Whether it is intentional or not, Sihanouk has created the inequality and effectively has shifted the contradiction of the two contending governments into the resistance aliance," the Cambodian-watcher said.

"The Khmer Rouge are the ones who are going to lose out the most in the proposal. Being militarily the strongest in the resistance, their reaction to Sihanouk's proposal would be most decisive to the current peace process," he said.

Analysts said the Khmer Rouge would eventually have to comply with Sihanouk's proposal which is now gaining wide support from the world community, though most of them do not believe that it would come with easily.

They did not rule out the possibility that the Khmer Rouge might prolong the peace process as long as possible in order to buy time for expanding and consolidating their control over areas seized from the government troops in the current rainy season. Capturing of one or two strategic Cambodian towns would give the Khmer Rouge the much needed needed leverage in future bargaining with the Phnom Penh government and other resistance factions.

According to recent intelligence reports, the Khmer Rouge guerrillas have now been deployed in large numbers to areas surrounding Battambang, Sisophon, Siem Reap and Pursat. These are strategic cities straddling across two important highways lying parallel to the east and west of Tonle Sap Lake which links Phnom Penh with guerrilla-dominated areas in the northwestern provinces near the Thai border.

Article Urges Neutrality on Cambodian Issue

BK2309155290 Bangkok KHAO PHISET in Thai 17-23 Sep 90 p 5

[Article: "Thailand and the New Stage in the Cambodian Problem. It Is Time To Be Strictly Neutral"]

[Text] If it were two weeks earlier, no one would ever imagine that Cambodian leaders would have reached an agreement on a peace plan, for they had never been able to come to any kind of a settlement to their problems, no matter how big or small. At the last minute of the informal meeting in Jakarta, however, the leaders of the four Cambodian factions agreed on the formation of the Supreme National Council [SNC]. The agreement reached by the four Cambodian factions was therefore considered the greatest success that has happened to them over the past 12 years since the problem broke out. Moreover, the four Cambodian factions agreed to take the proposals of the five permanent members of the UN Security Council as the framework in solving their problem.

Anyone familiar with the Cambodian problem would realize that there are still many more problems for the leaders of the four Cambodian factions to tackle before they can reach the final destination: a genuine peace in Cambodia.

The world is indebted to the five powers—China, the Soviet Union, the United States, Britain, and France, especially the first three—for having brought peace closer to Cambodia. It cannot be denied that, without a compromise from the three influential powers, peace in Cambodia would remain as distant as it had always been in the past.

Although the Cambodian factions have succumbed to pressure from the world superpowers, it is difficult to expect them to get their problem settled among themselves. The lengthy hostilities and the deep-seated mistrust and hatred among them make it difficult for those conflicting parties to become reconciled within a few weeks, or in a month. The Cambodian problem thus remains as sensitive as ever, and therefore those who are involved must realize this.

Thailand and the Thai Government have always been involved in the problems of this neighbor. The Thai Government previously adopted a policy of siding with one party against the other. This had been Thailand's policy for over a decade until the government of Prime Minister General Chatchai Chunhawan shifted to the policy of associating with all Cambodian factions without discrimination. What has been achieved so far cannot be claimed by anyone as his own success. There should have been no stage two without the implementation of stage one.

At this point, we in Thailand should try to achieve unity in the conduct of our policy regarding this particular issue. We should assume a new role and strictly take a neutral position.

The Cambodian problem will be settled only when conditions are ripe. Those who come up with plans and proposals to solve the problem should try to strike a harmony among themselves first. Even if conditions are ripe for a Cambodian settlement, we are likely to be faced with obstacles and failure in our efforts to help them if we are not fully clear on how to achieve it.

Last week, Gen. Chatchai carefully proposed that he was ready to provide the facilities for the SNC meeting in Bangkok. Yet, it was clear that the Cambodian leaders were themselves not ready. It looked as if they still needed more time to clear up certain problems among themselves. Any attempt by Thai leaders to push for an immediate peace settlement therefore constitutes a great risk.

The government of Gen. Chatchai already experienced this many times. Any move to push for a settlement when the situation is not ripe is destined to fail. The meeting between Hun Sen and Prince Sihanouk in Bangkok in February as well as the meeting in Tokyo in June between Prince Sihanouk and Hun Sen are examples. The results of the meetings were the joint statements which have no meaning.

Our government should not entertain the illusion that the agreement in Jakarta late last week among the Cambodian leaders was the fruit of its tireless efforts. If we are lost from the beginning, we will never be able to reach our destination.

We must not forget that the Cambodian problem is an international problem. We must honor the United Nations and give credit to the Indonesian and French Governments, which are behind the success of the informal meeting in Jakarta.

We think that the Cambodian people should be given more time to settle their remaining problems. It is not a question of whether Thailand should be involved in the problem, but concerns how and when we should play a role in the resolution of this problem.

Also we must not forget that, from now on, every step we take should follow the lead of the international community.

We hate all kinds of opportunists, no matter from which camps, and we do not want friendly countries and the international community to look at Thailand and the Thai Government with mockery.

It will never be too late for peace. Everyone seems to say this. At this point, Thailand should give Cambodia a chance to achieve peace by itself whenever it is ready.

Editorial Urges End to Cambodia Mediation Role

BK2109120790 Bangkok SIAM RAT in Thai
21 Sep 90 p 8

[Editorial: "Thailand Should Stop Playing This Role"]

[Text] The Cambodian SNC [Supreme National Council] meeting hosted by Thailand in Bangkok from 17 to 19 September, ended without any agreement on the major issues such as the SNC chairmanship, SNC delegates to attend the UN General Assembly in New York, the establishment of a voluntary ceasefire in Cambodia, and the termination of weapon supplies by foreign countries to the warring factions.

The four issues in fact dominated the session. The first, which was the selection of the SNC chairman, could not be resolved by the Cambodian factions. The Heng Samrin regime could not accept Prince Sihanouk as chairman of the 12-man SNC because Prince Sihanouk represents a non-communist faction. This would place the Phnom Penh regime at a disadvantage; it could face an opposition of seven votes in any decision-making.

Thus, Thailand, in paying for the renovation of the Cambodian Embassy and the entertainment of the representatives of the four Cambodian factions, paid for nothing, as the meeting yielded nothing. It was possible that the Heng Samrin regime had adopted a flexible attitude at the beginning in order to create another SNC seat—that of deputy chairman. Anyway, nothing had been achieved as the meeting has been aborted. We do not even know who occupied the Cambodian seat at the United Nations that convened on 18 September.

The Cambodian factions had expected the SNC meeting to fail. Others, then, should not be surprised.

The Thai Government itself must have been really disappointed due to all the efforts made. The prime minister said that he would not hold such a meeting again as it is useless. The Cambodian factions have shown no inclination to compromise, and instead have only tried their best to protect their own interests.

We support the prime minister's stand that Thailand should stop playing this role at present. We sympathize with the government in their strenuous but fruitless efforts. In any case, we have made known to the world that we really want peace.

Army Chief Deplores Insufficient Funding

BK2009050790 Bangkok BANGKOK POST in English 20 Sep 90 p 6

[Text] Army commander-in-chief Suchinda Kraphrayun said yesterday the Army has been given only one-quarter of the budget it sought for procurement of weapons systems and equipment as part of its modernisation plan. Gen Suchinda said there is a long way to go until the Army fulfills its modernisation plan, with insufficient funds given to it each year.

The budget cannot be reduced as long as the Army needs to meet the plan, which calls for procurement of advanced weapons systems to modernise air defence capabilities and to convert infantry divisions into mechanised ones, he said. But the Army has been given only 20 percent or 30 percent of the total budget it needed to buy advanced weapons systems and military equipment under the plan.

The Army's air defence systems deployed today are poor in terms of reliability and survivability but advanced systems cost many thousands of millions of baht, Gen Suchinda said. Surface-to-air missiles, launchers and fire control systems cost several hundred million baht each.

The Second Infantry Division, among others, will become a mechanised infantry division to give the Army an edge in rapid deployment over any enemy in combat, he said. No Army division has ever procured more than 60 percent of the weapons, vehicles and equipment it needs. "What we have is a cutback force, not a full force."

The Army should be given more funds to ensure it will be well prepared to cope with any armed conflict which may take place as unexpectedly, such as the Iraqi invasion of Kuwait. Some neighbouring countries earmark many thousand million baht for weapons.

The Army needs a 2,000 million baht budget to buy military training equipment but only 100 million baht has been given, while each territorial defence student should fire 100 rounds of ammunition in training but only 20 rounds have been available. The Army also needs to put some weapons and equipment in reserve, such as combat vehicles and artillery shells but its inventory is far from enough, he said. Every Army commander-in-chief and defence minister, past and present, has realised the Army has been running short of weapons and equipment for a long time, Gen Suchinda said. Meanwhile, he said some United States-made tanks will be delivered next year.

Asked if the Stingray tank lives up to operational standards as it is no longer used in the United States, he said the tank has been designed for use on tropical muddy terrain like Aranyaprathet, where relatively big tanks may be bogged down easily. He said the Stingray, however, carries a 105mm cannon with a built-in hi-tech fire control system just as a main battle tank, but admittedly the tank has some defects.

Reacting to criticism that the Scorpion tank performs poorly, he said the British-made tank is just a patrol tank.

Former Military Chief Names Advisory Board

BK2309044890 Bangkok BANGKOK POST in English 23 Sep 90 pp 1, 3

[Text] Former military chief Gen Chawalit Yongchaiyut yesterday unveiled his party's nine-man senior advisory board, which includes a former foreign minister, an ex-finance minister, retired senior government officials and two former Counter-Corruption Commission [CCC] executives. Gen Chawalit's anouncement came at a luncheon hosted by the Southern Teachers Association at which he was guest speaker on "National Development the Way the People Want."

Named by Gen Chawalit as members of his advisory board are former foreign minister Thanat Khoman, one-time finance minister Sawet Phiamphongsan, ex-deputy finance minister Phaichit Uathawikun, former education minister Kow Sawatdiphanit, Phuang Suwanarat and Prida Kannasut, former permanent secretaries respectively for the interior and agriculture ministries. Ex-deputy police chief Gen Suwan Rattanachun, former CCC chairman and secretary-general Siri Atipho and Suthi Agatsaroek are also on the board.

Gen Chawalit declined to reveal the name of his party during his speech, saying he did not consider the title as important as its policy and political platform. He confirmed, however, he had been offered leadership of at least five political parties. These are the Agro-industry Party, the Chao Thai Party, the Siam Rat Party, the New Hope Party and the just-approved Liberal Democratic Party. Gen Chawalit announced he intends to field at least 400 candidates in the next general election with a target of winning at least 200 of the Lower House seats to form a majority government.

More than 800 people including local businessmen and some MPs [members of parliament], heard Gen Chawalit's speech. Among those attending were Ratsadon MP for Phitsanulok Udomsak Unchin, Social Action Party MP for Ratchaburi Thawi Kraikhup and Solidarity Party.

Gen Chawalit accused the Government of losing touch with reality and failing to address people's problems, particularly basic ones. Holding a brief stint in the Chatchai Government as deputy prime minister and defence minister, Gen Chawalit said his time in the Cabinet had made him realise the Government has no concern for the people.

Most of the Cabinet meetings were full of nonsense. Cabinet ministers had no time to discuss the country's problems seriously but devoted much time approving subjects submitted for acknowledgement and issues stuffed into meetings at the last minute for approval. "This showed the Cabinet has no efficiency."

Chen Chawalit said the Cabinet had wasted a lot of time on something which should have been solved easily. "For instance, national bureaucratic reform. The Government spent two years arguing how a division could be upgraded into a department. "I am very puzzled. This is the way Cabinet ministers work for our beloved country," Gen Chawalit said.

Comparing the Cabinet's way of work to a ride in an air-conditioned limousine, Gen Chawalit said ministers are enjoying the cool comfort of the air-conditioner and the pleasant atmosphere in the car. They do not realise that if they step outside they will see a lot of dust and oxcarts."

The country has had a democratic system for decades but so far has failed to achieve significant progress to benefit the public. The country's 16-million poor are still suffering. "In fact they are not just poor. They are destitute. Many have to sell their labour and even themselves and their land."

Gen Chawalit said he hopes his party, which would be broadly-based, would be able to tackle these problems. He hopes Prime Minister Chatchai Chunhawan will remain in his post and not resign abruptly so there is more time to prepare for the next election. Gen Chawalit also criticised the Government for its alleged failure to control prices of essential consumer goods following the oil price rise last week. He had heard there would be another rise soon. This time the increase might be more than two baht a litre which would cause these prices to go even higher.

'Maximum Security' in South for King's Visit

BK2209021090 Bangkok THE NATION in English 22 Sep 90 p 1

[Text] The government is imposing maximum security in the South in preparation for His Majesty [HM] the King's annual working visit to Narathiwat Province next week. The move came after the arrest of three suspected Muslim separatists with explosive devices in Narathiwat on Thursday.

Prime Minister Chatchai Chunhawan yesterday called a meeting of military and police commanders at Government House to work out the security measures. The premier said after the meeting that he has ordered stricter security in preparation for HM the King's visit.

Quoting a police report, Interior Minister Banhan Sinlapa-acha yesterday said police seized a bar of explosive, two detonators, a sack of potassium nitrate, one picture of a Muslim separatist leader and documents in the Yawi language during a raid at the house of a woman villager, Kruesu Sama-ae, in Tambon Sri Banphot of Narathiwat's Si Sakhon district on Thursday. Police also arrested three men, Mausoh Sama-ae, 20, Abdulloh Deyoh and Abraheng Ding, for illegally possessing the explosive devices, said Banhan.

According to police findings, Kruesu is the wife of Masu-ngai Batu, a leading Muslim separatist in the Barisan Raayat Nasional or National Front of the people (BRN) group which was once active in Si Sakhon district. The three suspects arrested are believed to be allies of the separatist group, he said.

Banhan said police raided the house after being tipped off that a group of separatists were planning to sabotage a railroad track in Yala province.

Police Director General Pol Gen Sawaeng Thirasawat said the premier has told him to cancel his departure to Canada on Sunday to attend an international police conference so that he can supervise the security measures himself. Sawaeng said he and commanders of the three armed forces will lead the security operations during the two weeks HM the King stays in Narathiwat beginning on Monday. The police chief said he will leave for the South today to discuss security precautions with the 4th Army Region commander, Lt Gen [Lieutenant General] Yutthana Yaemphan, who oversees the southern region.

An informed police source said yesterday that Saweng has ordered deployment of bomb experts from the Police Quartermaster's Division along the routes HM the King will pass during the visit to the South as part of the security operations.

Unionists Launch Offensive Against Government

BK2109025590 Bangkok THE NATION in English 21 Sep 90 p 3

[Text] In the midst of a brewing political storm set off by PM's Office Minister Chaloem Yubamrung, labour leaders have launched new anti-government campaigns, but with questionable unity. Labour groups are separately demanding the government's resignation, an increase in the minimum wage, the freezing of oil prices, and measures to bring down the rising cost of living.

The most aggressive group is the so-called Thai Labour Movement, whose only demand is for the government to "step down within 24 hours after twelve o'clock of Sept 20". Sucha Chunlaphet, the group's leader, said in an open letter to Prime Minister Chatchai Chunhawan that he should resign "before people from all over the country—labourers, soldiers, policemen and farmers—rise up and overthrow you and your government." Sucha was also leading a protest at the Electricity Generating Authority of Thailand to demand the exemption of Egat from the social security system. Hundreds of Egat employees rallied at the football ground of their headquarters in Nonthaburi yesterday to emphasize their demand, but their number was much smaller than the "thousands" predicted Wednesday by Sucha.

Sucha, who is also Egat labour leader, said Prime Minister Chatchai and his government have failed in administering the country and cannot solve numerous problems such as falling crop prices, corruption and conflicts between Cabinet members. Egat unionists said their agency should not be covered by the social security law because it has already given its workers better welfare than that required by the law.

Sucha said if the government refused to resign by the 24-hour deadline Egat's labour union would urge employees of the Metropolitan Waterworks Authority, the State Railway of Thailand and the Bangkok Mass Transit to down tools. But Sucha's move has received little support from other labour groups, and even the unionist himself said he had become a "target of destruction" by other labour leaders.

The Thai Trade Union Congress [TTUC], one of Thailand's most powerful labour groups, has described the move to free Egat from the social security law as "pointless". But in a separate move yesterday, the TTUC petitioned Prime Minister Chatchai Chunhawan to stop a government plan to raise domestic oil prices again and not to increase bus fares. The group also did not want water and electricity rates to be raised.

Vice TTUC President Somsak Kosanyasuk accompanied by about 10 unionists delivered the petition to Sangat Sichan, director of the Government House's Public Service Division. Somsak said if the government failed to respond to the demands within one month, the TTUC would join hands with other major councils—the Labour Congress of Thailand, the National Free Labour Unions Congress and the national Congress of Thai Labour—in mounting pressure on the government.

Dailies on Effects of Chaloem-Banhan Dispute

BK2209135990

[Editorial Report] Two Thai language dailies—MATICHON and SIAM RAT—carry editorials in their 21 and 22 September issues on the implications of the dispute between Police Captain Chaloem Yubamrung, minister attached to the Prime Minister's Office, and Interior Minister Banhan Sinlapa-acha over the Interior Ministry's skytrain project for Bangkok and the alleged abuse of power by Banhan against policemen involved in a road accident.

The 21 September MATICHON editorial, on page 8, entitled "Dispute Within the Chatchai Government II" says: "People wonder what motivates Minister Chaloem to antagonize Banhan in public." The editorial continues: "Regardless of the motivation, Minister Chaloem is gaining popularity while Minister Banhan's image has suffered because he has not answered the charges. Another crisis for Prime Minister General Chatchai's government is surfacing as a group of Chat Thai party members of Parliament have called for the removal of Chaloem as minister."

The editorial concludes: "General Chatchai will face many more problems in the next two years. These problems will not only concern domestic politics but will include economic problems that are certain to follow the increase in oil prices. Each oil price increase, regardless of how necessary, has always created a negative image for the government."

The 22 September SIAM RAT editorial, on page 8, entitled "This Leaky Ship," says that without the dispute between the two ministers people would never know, as Minister Chaloem has revealed, about "the power Cabinet ministers wield over civil servants and the sloppy administration of the Chatchai government. The current government has been the target of criticism on many occasions due to corruption and inept administration. The latest Cabinet reshuffle which removed two ministers is a testament to these flaws. The latest disclosure by Minister Chaloem cannot help but make people view the government's ship as leaky and in need of major repair."

The SIAM RAT editorial concludes: "We do not want a dictatorship, but we also do not want a superficial democracy or a dishonest administration that abuses its power. We hope that the experienced prime minister will be able to fix this leaky ship."

Editorial on Political Issues Facing Government

BK2209105890 Bangkok MATICHON in Thai 22 Sep 90 p 8

[Editorial: "Do Not Be Discouraged Yet"]

[Text] While people are excited about the remarks made daily by Chaloem Yubamrung, minister attached to the Prime Minister's Office, assailing Interior Minister

Banhan Sinlapa-acha, other political problems have surfaced threatening to topple the government. These current political problems include the refusal to approve the Lavalin skytrain project unless it is studied in more detail, and opposition to the telephone expansion program because of the questionable way it was submitted for Cabinet approval.

It is a pity that Thai Cabinet ministers are viewed suspiciously when they propose multibillion baht projects when in fact the country, particularly Bangkok, is woefully short of utility services. The skytrain project is aimed at solving the traffic problem for Bangkok commuters, while private sector participation in the telephone expansion program would remedy the current telephone cable flaws.

Many times, disputes among politicians within the same political party or between different coalition parties worsen the already negative image of Thai politicians and the democratic system in the eyes of the people, and make the people loathe democracy. In other words, the members of Parliament, politicians, and Cabinet ministers are committing political suicide while strangling democracy.

In the cases of the Lavalin skytrain and the telephone expansion projects, allowing companies with dishonest records to work on government projects, regardless of how important, will invite questions about honesty. The ministers concerned simply must improve on the way they perform their duties by being more open and less secretive.

As the ship's captain, the prime minister must ensure that his supervision is not lacking. The political and economic problems and the bickering among Cabinet ministers are real problems the prime minister must tackle vigorously and seriously. He cannot allow Cabinet ministers to engage in verbal battles with each other because the damage will also affect him.

Thai people, please do not let the dishonesty of Cabinet ministers cause you to become discouraged with the democratic system. Your votes are the decisive factors in keeping these dishonest people out of Parliament. The people are the filter that cleans the democratic system. In a dictatorial system, people do not have the privilege of boycotting crooked ministers by means of peaceful elections. The people must be prepared, for they will have a chance to vote in another general election soon.

Economic Ministers Council Approves Tariff Cuts

BK1809040190 Bangkok THE NATION in English 18 Sep 90 p B1

[Text] The Council of Economic Ministers yesterday gave a shot in the arm to the industrial manufacturing sector by approving a wide range of tariff cuts for industrial machinery imports with effect from October 1.

The Board of Investment [BOI] has been instructed to abolish its tariff incentives except for projects which have already been granted the privilege.

According to yesterday's decisions, the duty on machinery used in industries listed in customs codes 84 and 85 will be cut from 20 percent to five percent. Machinery listed in customs code 84 includes nuclear equipment, machinery boilers, industrial and agro-industrial machines and parts. Those in customs code 85 include electrical equipment and electrical machines.

The duties on other machines not listed in the two customs codes such as steel sheets, pipes, moulds, measuring and test equipment, machinery parts and medical equipment will be cut by half but if further reduction is required, the BOI has been asked to submit appropriate rates to the Finance Ministry but the eventual rates remain above five percent.

The cut on other goods will depend on the results of the trade talks under the General Agreement on Tariffs and Trade (GATT), which are scheduled to be held at the end of this year, but the tariff rates should remain at about 40 percent in order to protect domestic manufacturing industries. However, should the tariff rates on other goods be less than 40 percent, they must be 10 percent more than the new customs rates.

Tariff rates on the remaining categories of machinery and equipment will be maintained. These include household goods such as tape machines, radios, televisions, electric fans and electrical shavers; office equipment such as typewriters and calculators; communications and transport equipment such as automobile engines, radars and traffic equipment; locally-produced equipment such as air conditioners with capacities of less than 72,000 BTU an hour.

The proposals submitted by the Finance Ministry were in line with the long-term restructuring of the tariff system where the rates on imported medical equipment and equipment used by disabled people and fertilizer would eventually be abolished.

The future plans include reducing the duties on raw materials and capital goods to five percent, semi raw materials to 10 percent, finished goods and protected goods to 20 percent and semi raw materials, machinery and other goods subject to special protection about 30 percent. Tariff rates on automobiles might be set differently.

The Finance Ministry has estimated that the government would lose a tax revenue of Bt6.5 billion in the fiscal year 1991 and in the short run the trade deficit might be higher. Sources said the decisions yesterday ended the BOI's authority in granting tariff incentives, with the Finance Ministry now in command of the country's tariff structure.

Kon Thappharangsi, PM's Office minister, who is in charge of the BOI, and the agency's Secretary-General

Chira Phanuphong tried in vain to maintain the BOI's authority on this issue. But the economic ministers did not accept their arguments. Kon was quoted as saying that the new tariff structure would defeat the mutual policy of the BOI and the government in trying to promote rural industrialization. But some economic ministers countered this argument and said investors do not look only to tariff incentives but also read infrastructure, workers and raw materials.

Phisit Phakkasem, secretary-general of the National Economic and Social Development Board, was quoted as saying that the tariff reduction was in line with the incentive rates given by the BOI and would be fair. The BOI was also criticized by some ministers of excessive red-tape and allegations of corruption.

BOI Continues Promoting Projects Despite Cuts

BK1909055990 Bangkok THE NATION in English 19 Sep 90 p B1

[Text] The Board of Investment [BOI] will be able to continue its policy of promoting industrial investment projects in the rural areas by offering non-import tariff and other incentives, a senior Finance Ministry official said yesterday.

Niphat Phukkasut, director of the Fiscal Policy Office, who is the chairman of the working group restructuring the import tax system, said the BOI could still grant business and income tax exemptions to promoted projects. The BOI had earlier wanted to delay the Finance Ministry plan to cut machinery import taxes to allow it to formulate the policy of promoting industrial projects in the rural areas.

The Cabinet yesterday endorsed the Council of Economic Ministers' approval for reducing machinery import taxes to five percent from the previous 20 percent. The cut covers items in Article 84 and 85 of the Customs Act, including industrial and agro-industrial machinery, boilers, parts and electrical equipment. Niphat said the cut is part of the Finance Ministry's effort to restructure the import tax system.

Currently, the ministry levies 30 percent taxes on items produced locally in order to protect domestic industries, while imports of finished products are subject to 20 percent taxes. The ministry also plans to cut the taxes on raw material imports to five percent. Niphat said the ministry did not include household appliances, automobile equipment and parts and other items in the cut because they are not important for industrial promotion. He said the new tax rate of five percent for selected items under Article 84 and 85 will take effect as soon as it is recorded in the Royal Gazette. The BOI is, however, ordered to stop granting import tax exemptions as of October 1. The BOI, meanwhile, said a plan to offer promotional privileges, including import tax exemptions on machinery, to 50 types of manufacturing operations may be scrapped in the wake of the tax cut.

A source said the number of applicants is expected to be small as a result of the cut. The plan covers the manufacture of sanitary napkins, ready-made garments, air-conditioners, foot-wear, water pumps and other items in 57 rural provinces.

At present, most industrial plants are located in and around Bangkok and nearby provinces, causing excessive pollution and concentration of development efforts, whereas the rural areas are left largely undeveloped.

Cabinet Appoints New Bank Governor 18 Sep

BK1909060190 Bangkok THE NATION in English 19 Sep 90 p A1

[Text] The Cabinet yesterday appointed Wichit Suphinit, deputy governor of the Bank of Thailand, to replace Chawalit Thanachanan who retires as governor at the end of this month. The decision will allow continued strengthening of policy coordination between the central bank and Finance Minister Wiraphong Ramangkun, who was appointed less than a month ago—barring political changes in the near future. It sets the seal on a series of changes in the country's top financial management that started with Chawalit's appointment to replace Kamchon Sathirakun in March, and Pramuan Saphawasu's replacement by Wiraphong last month.

Wichit, 49, is considered likely to be more aggressive in liberalizing the financial sector and relaxing control of the baht's exchange rate than his predecessor. Speaking to reporters yesterday, however, Wichit pledged to continue the policies of his predecessor. He highlighted the need for courage and decisiveness to maintain the bank's independence, to avoid inflation and balance of payments troubles and to maintain the present exchange rate regime in which the baht's value is fixed daily according to the "basket" of major currencies. One of the priorities, he said, is to maintain the competitiveness of the economy by setting a suitable exchange rate for the baht.

On other issues, such as the question of raising interest rates to tackle inflation and whether he would have two deputies, Wichit said he would have to study the situation and consult with Wiraphong. The other deputy governor, Phaisan Kumanwisai, also retires at the end of this month, and will be replaced by Roengchai Marakanon. Wichit, who was educated in Britain and the United States, is the third Bank of Thailand official to be appointed governor. The other two were Phisut Nimmanhemin, who was governor from 1971 to 1975, and Chawalit.

Vietnam

Vo Nguyen Giap Feted by PRC's Gu Mu 19 Sep

BK2109120390 Hanoi International Service in English 1000 GMT 21 Sep 90

[Text] A ceremony to hoist the Vietnamese flag was held at the Asiad Village in Beijing on Thursday [20 September]. It was attended by Vo Nguyen Giap, vice chairman of the Council of Ministers; Mr. Tran Hoan, minister of culture, information, sports, and tourism; Mr. Dang Nghiem Hoanh, Vietnamese ambassador to China; and media men from many countries.

In his address, the head of the Vietnamese sports delegation Duong Nghiep Chi said: The Vietnamese sports delegation wants to strengthen solidarity and friendship with other Asian nations, to contribute to an early normalization of the relations between Vietnam and the host country, China, and to make progress in sports competition.

Earlier, on Wednesday, Chinese Vice Premier Gu Mu gave a banquet in honor of Mr. Vo Nguyen Giap, special distinguished guest of the Chinese Government. Mr. Vo Nguyen Giap expressed his hopes for an early normalization of relations between Vietnam and China. For his part, Mr. Gu Mu welcomed the achievements recorded by the Vietnamese people in the cause of renovation and expressed his wish for the restoration and development of bilateral friendship.

Meets Li Peng in Beijing

BK2509064090 Hanoi Domestic Service in Vietnamese 0500 GMT 25 Sep 90

[Text] According to Radio Beijing, Chinese Premier Li Peng received Vo Nguyen Giap, vice chairman of the SRV Council of Ministers, in Beijing on the afternoon of 24 September. Vo Nguyen Giap was attending the opening of Asiad 90 as a special distinguished guest of the Chinese Government.

Host and guest exchanged views on issues of mutual concern. At the reception, Premier Li Peng said: On behalf of the government and in my own name, I welcome the Vice Chairman.

Vice Chairman Vo Nguyen Giap sincerely thanked the Chinese party and government for creating favorable conditions for him to visit Beijing after more than 10 years of absence. He also voiced special thanks to Premier Li Peng.

Head of Sports Delegation Interviewed on Asiad

BK2309123090 Hanoi International Service in English 1000 GMT 20 Sep 90

[Text] The head of the Vietnamese sport delegation to Beijing for the Asiad 90, Mr. Duong Nghiep Chi, said the Vietnamese sport delegation to Asiad is aimed at strengthening the friendship and mutual understanding between Vietnam and other Asian countries, especially China, thus contributing to the normalization of the relations between the two countries. Mr. Duong Nghiep Chi added that many athletes and coaches of the delegation had been trained in China previously.

He was speaking in an interview granted to Radio Beijing. Radio Beijing reported that the Vietnamese sport delegation arrived in the city on Wednesday and was warmly welcomed at Beijing railway station by Asiad officials.

Contraband Trafficking on PRC Border Flourishes

BK2209100890 Hong Kong AFP in English 0809 GMT 22 Sep 90

[By Jean-Claude Chapon]

[Text] Dong Dang, Vietnam, Sept 22 (AFP)—Buyers can find anything in the market in Dong Dang, lying on the border with China, from goods "made in China" to weapons and opium. The market has grown up one kilometer (half a mile) from the border, slightly north of Dong Dang, a remote town in the foothills of the mountains between Vietnam and China.

All kinds of traders are here, in numbers that have burgeoned in the last few years, dealing largely in contraband with their counterparts in China.

Legitimate trade between the two countries resumed in February 1989, a decade after the Sino-Vietnamese border war which battered parts of Vietnam's northern border region. Beijing unleashed its offensive to punish Hanoi for its invasion of Cambodia to oust the Chinese-backed Khmer Rouge. But China's troops soon bogged down in the rugged region and the conflict stalemated.

In the back rooms of small earthen or ramshackle wooden shops, inexpensive Chinese beer flows freely, sometimes lubricating questionable deals.

"Grenades are rare these days, but you can buy a Chinese or Soviet pistol for 200,000 or 300,000 dongs (31 or 47 dollars)," a police officer in the provincial capital Lang Son, 15 kilometers (nine miles) to the south, admitted.

The Army newspaper QUAN DOI NHAN DAN recently inveighed against the arms trafficking, many of the weapons coming from Army depots in the area, sometimes raided by soldiers themselves to supplement their meager incomes.

Authorities admit the arms trafficking in the region has turned this province into one of the most dangerous in Vietnam, especially in the border area where disputes are often settled at gun-point. "We know there is opium trafficking to China, but we have made no seizures up to now," the police officer said, readily acknowledging that the barely concealed opium dens of Dong Dang or Lang Son offer a pipeful of the stuff for 5,000 dong (80 U.S. cents). But the trafficking is dangerous because, he said, when dealers are caught in China they face prison terms of one year for every 100 grams (3.5 ounces) of opium confiscated.

Many of the soldiers who have been gradually demobilized as the Chinese threat has receded are happy to hang around for clients who might ask them to transport goods from China on their Soviet-built Minsk motorbikes lined up along a dirt track heading into China.

There is a permanent traffic jam in Dong Dang of buses, trucks and cars, also loaded with Chinese goods brought across the border by porters carrying bundles suspended from either end of bamboo poles.

Dozens of porters take mostly foodstuffs to China and return to Dong Dang with manufactured goods, using winding mountain paths, working around the clock, according to the policeman, evidently unmoved by the trade.

"You should come in the morning when you can see the dealers taking copper to sell in China," said a woman coming down one of the paths, her rhythmic gait keeping the bamboo pole from hurting her shoulder.

The copper, the province's most famous commodity, is largely stolen from Vietnam's telephone network. Lang Son officials complain that the entire network has been stolen several times, leaving the entire province with no means of communication.

Do Muoi Congratulates Bulgaria's Andrei Lukanov

BK2309121090 Hanoi VNA in English 1457 GMT 22 Sep 90

[Text] Hanoi VNA September 22—Chairman of the Council of Ministers Do Muoi today sent his congratulations to Andrei Lukanov on his appointment as chairman of the Council of Ministers of the People's Republic of Bulgaria.

In his message, Chairman Do Muoi wished the existing friendship and cooperation between Vietnam and Bulgaria further development.

New Soviet Ambassador to Hanoi Appointed

BK2109094990 Hanoi International Service in English 1000 GMT 19 Sep 90

[Text] Mr. Rashit Khamidulin is appointed Soviet ambassador to Vietnam to replace Mr. Dmitry Kachin who retires.

Mr. Khamidulin was born in 1936 and graduated from the Moscow International Relations University in 1960. From 1960 to 1983, he worked at the Soviet embassies in Vietnam, Laos, and Cambodia. Between 1987-88, he was deputy head of the Asian Service Countries Department. From May 1988, he was Soviet ambassador to Cambodia.

Assistance From FRG Organization Continues

BK2209160190 Hanoi VNA in English 1445 GMT 22 Sep 90

[Text] Hanoi VNA Sept. 22—Since its founding 25 years ago, Hilfsaktion Vietnam (HAV) of the Federal Republic of Germany has given aid worth more than 100 million DM [Deutsche marks] to the Vietnamese people, especially Vietnamese women, in healthcare, education, and environmental protection, and in overcoming consequences of natural (?calamities).

HAV has sent to Vietnam a large quantity of mosquito nets, garments, blankets, medicines and medical equipment. Its priority of aid include war victims, especially those exposed to agent orange, a toxic chemical sprayed by the U.S. over many parts of South Vietnam during the Indochina War.

"Let's give effective assistance to Vietnam" is the HAV's appeal. To this end, the FRG organization has worked out a long-term programme for building hospitals, training medical workers, and providing vehicles for handicapped children. The HAV president, Mrs. Sybille Weber, said plans to build 300 hand-pump wells, 176 biogas units for all infirmaries, and provide medical equipment for hospitals in the Mekong River Delta Province of Ben Tre. [sentence as received]

The HAV president has made many working tours of Vietnam and recently she was cordially received by Mrs. Nguyen Thi Than, head of the Commission of Public Health and Social Affairs of the National Assembly, and vice president and secretary general of the Vietnam Women's Union [VWU]. Speaking of her organization's activities in the time ahead, Mrs. Sybille Weber said the HAV would pool efforts to buy sewing machines for organizations of VWU to help create more jobs and increase income of Vietnamese women. To date, she said, more than 1,000 sewing machines have been shipped to Haiphong in furtherance of the said scheme.

Iraqi Friendship Delegation Visits 18-20 Sep

BK2309123490 Hanoi VNA in English 1501 GMT 22 Sep 90

[Text] Hanoi VNA September 22—A delegation of the Iraq-Vietnam Friendship Association led by its president Arif Qita Suhayl visited Vietnam from September 18-20.

While here, the Iraqi guests met with representatives of the Vietnam Union of Peace, Solidarity, and Friendship Associations; the Central Committee of the Vietnam Fatherland Front; and the Vietnam-Iraq Friendship Association chapter at the Union of Machine Assembly Enterprises under the Ministry of Construction. They also visited a number of economic and cultural establishments in the capital city.

The Iraqi delegation had a working session with leading officials of the host association headed by its president Do Quoc Sam on new measures for further strengthening bilateral ties.

Arif Qita Suhayl and his party were cordially received by Phung Van Tuu, vice chairman of the National Assembly.

Article on Attracting Foreign Investments

BK2409113990 Hanoi Domestic Service in Vietnamese 0015 GMT 24 Sep 90

[Article by station correspondent Tieu Lien: "Development of Vietnam's Economic Cooperation With Foreign Countries—portion recorded]

[Text] Our country's economic open-door policy is attracting many foreign businessmen and investors into Vietnam. In the first half of this year alone, we have licensed 54 projects, with investments totaling more than $245 million and more than $229 million in legal capital.

Thus far, 183 foreign companies have invested in Vietnam, involving a total capital of $1.2 billion. Most of these investment projects focus on tourism and services, maritime products, agricultural and forestry products, and consumer goods production. Small projects account for only 16 percent or more of the total investments. Investments in oil and gas exploration account for 73 percent.

In August, Petrovietnam signed its ninth contract with foreign oil companies and expanded relations with many capitalist countries, increasing many times the total investments in oil and gas exploitation. According to this contract, the Petrovina company of Belgium will conduct a geological survey of over 27,000 square meters in the southern continental shelf. The results of this survey will be given free of charge to Vietnam. On the basis of the survey results, Petrovina of Vietnam is authorized to prospect, explore, and exploit oil and gas according to the product-sharing contract.

On 6 August in Ho Chi Minh City, representatives of PPL Corporation of Italy together with the general director of Vietnam's Sericulture Federation signed a contract to produce silkworm textiles in Vietnam. According to the contract, the PPL Corporation will install five modern factories to unwind silk from the cocoons, and will manufacture equipment to improve silkworm breeding, which brings the total investment to $18 million.

In the first few months of the year, bilateral trade between Japan and Vietnam reached $294 million, and may reach $800 million in 1990. From January to May 1990, Japan exported to Vietnam $92 million worth of goods, an increase of 85 percent as compared to last year, while imports have doubled to $202 million.

A large trade delegation led by the Australian minister of industry, technology, and trade recently arrived in Vietnam. It was composed of representatives from 14 large companies and enterprises of Australia. The delegation signed a trade agreement under which investment will be concentrated on Vietnam's infrastructural sectors, such as transportation, finance, technology, and training.

On 12 September, during his visit to Vietnam, the trade and tourism minister of India signed with our trade minister a $100 million agreement on annual trade. According to this agreement, India will import some of our raw materials such as coal, phosphate, timber, and other agricultural products, and will export to our country various equipment for transportation, energy, textile production, and for the chemical and pharmaceutical sectors.

During a news conference in Hanoi, the Indian trade and tourism minister said:

[Begin recording in English fading into Vietnamese translation] The Indian Government has limited managerial control over the economy; this is mainly carried out by the private sector. I think that more private trade delegations should be exchanged with Vietnam. The Vietnamese trade minister and myself have agreed on the principle that if trade cooperation is to be maintained, both sides must be self-reliant in expanding joint investment enterprises and unifying exchange of technology. We believe that once we understand each other at the highest political level, economic cooperation will certainly develop. We will strive to double the bilaterial trade figures according to the agreement. [end recording]

While many foreign countries develop trade with and investments in Vietnam, the U.S. embargo has tied the hands of U.S. businessmen. Evidently, U.S. business circles have raised their voices to demand that the embargo be lifted because it is harmful to them.

Under the sponsorship of the International Research Institute, an international conference with the theme "Vietnam Is Taking Advantage of Emerging Opportunities" will be held in Hong Kong in October. This conference is aimed at introducing the gamut of business possibilities in Vietnam to those organizations that are interested in this promising region. Also in October, the U.S. Chamber of Commerce in Hong Kong is planning to send a 25-member delegation to study the Vietnamese market. The vice president of this Chamber of Commerce, Mr. Samuel Moon, said: It is clear that the U.S. embargo against Vietnam cannot last forever. The United States must look into the present business opportunities in Vietnam, and we are ready to act when the embargo is lifted.

International Red Cross Head Arrives 18 Sep

BK2109051990 Hanoi International Service in English 1[illegible] GMT 19 Sep 90

[Text] The chairman of International Red Cross Committee, Mr. Cornelio Sammaruga, arrived in Hanoi on Tuesday starting an official visit to Vietnam. During his visit Mr. Sammaruga will have working sessions with leaders of the Ministries of Foreign Affairs, Interior, War Invalids and Social Welfare, visit the Red Cross Funds Center for Casualties and Plastic Surgery, and consider continuous support to this center as well as other humanitarian matters.

Meets Du Muoi

BK2409152390 Hanoi VNA in English 1451 GMT 24 Sep 90

[Text] Hanoi VNA September 24—President of the International Committee of the Red Cross (ICRC), Mr. Cornelio Sommaraga, paid a working visit to Vietnam from September 19-24 at the invitation of the Vietnam Red Cross Committee.

While in Vietnam, the ICRC president had working sessions with the host committee, and conferred with leading officials of the Ministries of Foreign Affairs, the Interior, and Labour, War Invalids and Social Affairs to settle postwar humanitarian matters such as the tracing of missing relatives, production of artificial limbs, medical assistance, training of first-aid personnel, and so forth.

He was received by Chairman of the Council of Ministers Do Muoi who expressed his thanks to the ICRC for its assistance to the Vietnamese people so far.

Mr. Cornelio Sommaraga toured a number of Red Cross establishments in Hanoi and the ICRC-funded rehabilitation centre in Ho Chi Minh City.

Before leaving Hanoi for Ho Chi Minh City, the ICRC president met with Vietnamese and foreign mass media workers, affirming the continuation of his organization's assistance to Vietnam in the years to come.

11 on Trial for 'Counterrevolutionary' Acts

BK2409133990 Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 16 Aug 90 p 1

[Report by V.K.]

[Text] Yesterday (15 August) the Ho Chi Minh City People's Court held a lower court session to try Nguyen Van De, Nguyen Thi Nhi, and their nine accomplices on charges of using religion to conduct propaganda against the revolutionary administration and socialist regime under the name of the "Little Soul Organization" and "Reverend Maria Movement" (MSM).

In 1982, after being released from detention and placed under surveillance at the My Tho seminary on charges of joining a counterrevolutionary organization (national sovereignty restoration force), Nguyen Van De again took part in the "Reverend Maria Movement" on the recommendation of Reverends Nguyen Van Nam and Nguyen Huu Son. This is a reactionary organization comprised of anticommunist elements among Catholic priests worldwide (which later expanded to Catholic clergymen and followers). Nguyen Van De was responsible for receiving and forwarding documents from foreign countries to Nguyen Huu Son for translation and Nguyen Van Nam for ratification and then dissemination in the form of prayer books and confidential letters. These materials were disseminated with the aim of opposing the revolutionary state, sowing division among the people of various strata, distorting the communist regime, and drawing a number of thoughtless and backward Catholic followers into joining them in advocating a hostile attitude toward the revolutionary administration.

As a world counterrevolutionary body, the "Little Soul Organization" first infiltrated Vietnam at the time of the signing of the Geneva agreement. After the liberation of the south, it was stamped out by the revolutionary administration. In 1977, the "Little Soul Organization" reappeared with Nguyen Thi Nhi claiming to be "enlightened" by the Virgin Mary to conduct counterrevolutionary propaganda in an attempt to gain more support. In 1982, the organization merged with the "Reverend Maria Movement" and continued its activities until it was discovered in 1986. The court session will continue today, 16 August.

Government Postpones Treason Trial 'Indefinitely'

BK2509045690 Hong Kong AFP in English 0420 GMT 25 Sep 90

[Text] Hanoi, Sept 25 (AFP)—The trial of 38 Vietnamese accused of high treason and subversion, due to start here Tuesday, has been postponed indefinitely, Hanoi television said. In its report late Monday the station gave no reason for the postponement, but an official source in the Foreign Ministry said the trial had been delayed because one of the lawyers was ill.

The official NHAN DAN daily had reported Monday that the 38 accused had belonged to two Thailand-based commando units with a total of 68 members. It said Laotian troops from Champassak Province first intercepted, then attacked the units in southern Laos between August and October 1989, when they allegedly tried to infiltrate central Vietnam via Laos near the hill country region of Tay Nguyen.

The Laotian troops reportedly killed 30 of the commandos, who were led by Dao Ba Tu, a former South Vietnamese army officer also known as Tran Quang Do, the communist party newspaper said. It claimed the accused men had tried to set up bases on Laos's border with Vietnam to carry out subversive activities. Mr. Dao and his deputy, Le Van Tien, were tried by the supreme court of Vientiane in January and sentenced to 15 years in prison, while the other 36 received prison sentences ranging from five to 12 years, sources said.

NHAN DAN said Mr. Dao and the others were extradited to Vietnam the same month at the request of the Vietnamese interior minister. Until now subversion trials have been held in Ho Chi Minh City, formerly the South Vietnamese capital, Saigon.

First SNC Session 'Failed' To Achieve Results

BK2109131990 Hanoi International Service in English 1000 GMT 21 Sep 90

[Text] The first session of the Supreme National Council [SNC] of Cambodia concluded in Bangkok on 18 September after two day sitting. The session failed to achieve any concrete result.

Speaking at a press conference before his departure, Chairman Hun Sen expressed regrets that the first session of the SNC did not solve the urgent problems after it was set up. After mentioning the obstacles to the election of the chairman of the SNC, Chairman Hun Sen stressed: For the supreme interests of the Cambodia nation, we are always ready to offer Prince Sihanouk the SNC chairmanship in case he decides to join the SNC in its present formation. In this case, the vice chairmanship of the SNC will be given to one of the representatives of the State of Cambodia. If the other side insists that Sihanouk be appointed chairman of the SNC, we are ready to accept this proposal in the condition that they have to respect the principle of balance between the two sides. That means that they add one more member of the Phnom Penh government to the council.

Chairman Hun Sen expressed regrets that the political proceedings of the Phnom Penh goverment at the final stage came to a kind of confrontation with Prince Sihanouk. Chairman Hun Sen said he had consulted with Thailand, the host country, that he was ready to talk with other members of the SNC and ready to go back to Bangkok.

Gold Star Order Awarded to Cambodian Official

BK2209111990 Hanoi VNA in English 0721 GMT 22 Sep 90

[Text] Hanoi VNA September 22—Empowered by the State Council, Vietnamese Ambassador to Cambodia Ngo Dien presented at a ceremony in Phnom Penh yesterday the "Gold Star" order, the highest distinction of Vietnam, to Say Phuthang, Politburo member and secretary of the People's Revolutionary Party of Kampuchea (KPRP) Central Committee, president of its Control Commission, and vice president of the State Council.

The conferment was made in acknowledgement of Say Phuthang's outstanding contributions to the consolidation and development of the solidarity and friendship between the parties, states and people of Vietnam and Cambodia.

Present at the ceremony were Chea Sim, Politburo member of the KPRP Central Committee, president of both the National Assembly of Cambodia and the United Front for Construction and Defence of the Kampuchean Fatherland, and other senior Cambodian party and state officials.

Nguyen Thanh Binh Visits Thanh Hoa 14-16 Sep

BK2409032990 Hanoi Domestic Service in Vietnamese 2300 GMT 21 Sep 89

[Text] Comrade Nguyen Thanh Binh, member of the Political Bureau and standing member of the party Central Committee, paid a working visit to Thanh Hoa Province from 14 to 16 September.

Comrade Nguyen Thanh Binh toured a number of fishing, tree nursery, and handicraft development establishments in Hoang Hoa District and Sam Son city. He was briefed by the standing member of the provincial party committee on the situation of Thanh Hoa's party organization and the province's urgent tasks.

Addressing a conference of Thanh Hoa's key cadres, Comrade Nguyen Thanh Binh raised four issues: assessing the implementation of Notices 74 and 198 of the party Central Committee Secretariat; plans and measures to fulfill the pressing tasks; implementation of Political Bureau Resolution 10 regarding renovation in agriculture; and the efforts to purify and increase the militancy of party organizations and the ranks of cadres and party members. He reminded everyone to look forward for the sake of the common cause, and welcomed those wrongdoers who had mended their ways and struggled against conservative ideas that obstructed the advance of the renovation movement. He advised that the Lang Son provincial party organization must use concrete, current actions as criteria to judge people and that only by doing so would they be able to ensure unity and progress.

Vo Van Kiet Chairs Meeting on Cigarette Issue

BK2409052190 Hanoi Domestic Service in Vietnamese 2300 GMT 21 Sep 89

[Text] Vo Van Kiet, vice chairman of the Council of Ministers recently chaired a joint conference of the Ministries of Home Trade, Agriculture and Food Industry, Finance, and Interior, and the State Price Commission, the Central Market Management Committee, the Council of Ministers Office, the General Department of Customs, the Union of Cigarette Enterprises No. 1, and others. The conference reviewed the implementation of Council of Ministers Decision 278 banning the trading of imported cigarettes in the Vietnamese market.

After listening to the participants' debate, Vice Chairman Vo Van Kiet concluded: The most decisive factor now is that state enterprises must quickly improve their production technology, increase the output and quality of cigarettes to suit the consumers' demand in each area and each period of time while ensuring sufficient regular supplies and reserve stocks. Special attention must be applied to the production of high quality cigarettes in hygienic conditions. The Ministry of Home Trade must do a good job of organizing cigarette circulation to make shopping convenient for consumers and to meet demands during festive days, especially in big cities. Cigarette prices must be readjusted to the common price level. However, during the next few months they must be strictly controlled. Production establishments are also not allowed to raise prices arbitrarily to prevent unexpected price increases.

From now on, local trading agencies are prohibited from selling cigarettes for foreign currency. The Home Trade and Finance Ministries must work out urgent plans to solve the problem of foreign-made cigarettes that are still in circulation before 1 October 1990. Responsible state organs at all levels must strictly control the confiscation, storing, transportation, and reexportation of smuggled foreign-made cigarettes or their sale at stores licensed to accept foreign currency. All transportation and storage facilities, including those belonging to the Armed Forces, used by any organization or individual to smuggle foreign-made cigarettes, shall be dealt with sternly according to the law.

The Council of Ministers has decided to set up a committee to manage the implementation of the above directive. The committee is comprised of the leaders of the Ministries of Home Trade, Agriculture and Food Industry, and Finance; the State Price Commission; the People's Police Department; and the General Department of Customs.

Tay Ninh Province Works To Stop Smuggling

BK1909151390 Hanoi Domestic Service in Vietnamese 1100 GMT 17 Sep 90

[Interview with Trinh Van Lau, secretary of Tay Ninh provincial party committee, by QUAN DOI NHAN DAN correspondent on smuggling across the border on 16 September; place not given—read by announcer]

[Summary] Appraising the present situation at Tay Ninh Province's border areas, comrade Trinh Van Lau said that goods smuggling was somewhat reduced at the Moc Bai and Xa Mat main border gates where the goods were usually transported by cars. He added that the rate of smuggling remained the same at other minor crossing points where traders hired the "young carrier team" to smuggle in goods using various means of transportation.

"Regarding tax collection and punitive measures meted out on goods smugglers, comrade Trinh Van Lau said that Tay Ninh Province has seriously implemented the state policies and regulations to stop goods smuggling. Since early August, the province has obtained tens of billions of dong collected from fines made against smuggling cases. However, this was only 20 percent of the total volume of goods smuggled across the border." He said that while the border area is vast and goods smuggling is carried out day and night, the number of officials in charge is small, resulting in ineffective checks and controls at all the crossing points. He said that in recent days armed smugglers even fought against the police and customs officers to take back their goods.

Since the promulgation of Council of Ministers' Directive 278-HDBT on banning the import and selling of foreign cigarettes, private traders from Ho Chi Minh and Bien Hoa cities as well as other localities have frantically sought ways and means to resume their trade. They paid more to members of the "young carrier team" to obtain smuggled foreign cigarettes, thus encouraging some laborers to abandon their productive work to join the team.

Dealing with measures to oppose and stop cross-border goods smuggling, comrade Trinh Van Lau said that the provincial party and people's committees have taken positive measures to guide and supervise this task. The Province issued Notice 04 on curbing goods smuggling and has sent more working teams to the border areas to step up inspection and patrol with coordination provided by the border defense force, police, customs and financial officials. Moreover, the local militia and self-defense forces have also been mobilized to help in this task. "As a result, some achievements were scored during the past month, goods smuggling was reduced, and private traders were seriously dealt with. Many rings, teams, and private traders operating under the cloak of state-run units were discovered and prosecuted in accordance with the law."

Comrade Trinh Van Lau admitted, however, that stopping goods smuggling at present is not an easy task because foreign goods are still in great demand at home. He said that more drastic action should be taken against smugglers, market management should be strengthened, and quality of domestic products should be improved to compete with foreign goods. He added that state-run trade establishments must strive to grasp the sources of goods and capital, effectively control prices, and firmly manage wholesale and retail trades. He contended that these are measures that can help create a firm foothold for domestic products while effectively opposing the smuggling of foreign goods into the country.

Policy on Ban of Imported Goods Explained

BK2109142390 Hanoi International Service in English 1000 GMT 21 Sep 90

["Talk of the Week"]

[Text] Dear listeners: Writer N.V.L., who has been in the vanguard of the renovation process in Vietnam, has pointed out some things to do now including the use of homemade goods and the restriction on imported foreign goods. Listening to this, some of you may think that Vietnam has started a campaign of xenophobia. Please, don't misunderstand. There is nothing to do with this.

Since Vietnam started its economic renovation, especially over the past two years, the Vietnamese market has been booming with diversified goods. Customers no longer have to stand in queue for rationed food and other commodities. Nowadays, the sellers try to please their customers. These are good signs of renovation.

However, the Vietnamese people of conscience have expressed their concern over the flooding of foreign imported goods which have caused numerous difficulties to the home industries, even bringing some branches to a standstill. In Vietnam, you may find Japanese electronic appliances, French or American cosmetics and textile goods, chinaware and cigarettes made in China, Hong Kong, Thailand, and South Korea. These foreign-made goods have been smuggled into Vietnam by non-state economic sectors in exchange for gold and hard currencies. Meanwhile, the state needs a great quantity of hard currencies to import the means of production, technical equipment, materials to implement three big programs, namely the development of food production, the production of consumer goods and export goods. This state of affairs, if it continues, will destabilize the Vietnamese economy.

In the face of such a situation, the Vietnamese state must take a series of measures to stabilize the market. It has reconsidered and adopted a new taxation policy on imported goods to ensure production in the country and promote goods exchange in the international market. Priority is given to the import of production means and advanced technology and techniques to serve economic renovation in the country. Import of those items which can be produced by ourselves are to be discouraged or, in the case of cigarettes, banned.

However, it is most necessary to upgrade home production to compete with foreign-made goods. In this respect, there are encouraging signs. Rang Dong Thermo Flask, Dien Co Ceiling Fans, textiles and garments of Long An and Dong A factories have quality and designs competitive to the imported goods of the same types. The quality and designs of bicycle spare parts and electric appliances have been improving. It is an important state policy for any nation to assist and protect the home production. Only by carrying out this policy well can our country join the international market.

More on Typhoon's Devastation; Du Muoi Message

BK2109084190 Hanoi VNA in English 0723 GMT 21 Sep 90

[Text] Hanoi VNA Sept. 21—According to latest reports reaching here, tropical storm Ed brought along incessant torrential rains and caused 19 casualties in four central provinces of Quang Nam-Da Nang, Quang Tri, Thua Thien-Hue and Quang Binh.

In Quang Nam-Da Nang, six persons were killed, 20,000 ha of rice nearing harvest badly damaged, 400 ha of shrimp rearing ponds totally inundated, 634 houses in Danang city pulled down and 2,350 others unroofed, three ships and 164 vessels sunk, and hundreds of thousands of cubic metres of coastal dykes destroyed.

In Quang Tri, one person was killed, three others were reported missing. More than 3,000 persons were rendered homeless. The districts of Huong Hoa, Hai Lang, Dong Ha, Trieu Phong, Gio Linh and Vinh Linh were deeply submerged. Traffic on many portions of highways No.1a, 9 and 4 was paralysed.

In Quang Binh, 2,516 houses, 1,580 ha of rice and 380 ha of subsidiary food crops were submerged in Tuyen Hoa District. In Quang Trach District, 3,200 houses, 500 ha of rice and 200 ha of subsidiary food crops were under water, in Le Thuy District, 8,600 houses were heavily damaged, 980 ha of rice and 200 and of subsidiary food crops were lost and about 150,000 cubic metres of rock and earth were washed away from irrigations projects.

In Thua Thien-Hue, three persons were killed, six reported missing and 15 others injured. Property losses included more than 90,000 houses submerged, more than 6,600 others pulled down or unroofed, 3,000 ha of rice and 5,000 ha of subsidiary sweet-potatoes under water and more than 14,000 tons of foodgrain washed away or damaged.

Chairman of the Council of Ministers Do Muoi has sent a message expressing his sympathy with the storm victims and instructed the local authorities, all central and local public offices concerned to concentrate their efforts on overcoming the consequence of natural calamity and and stabilising the situation.

Council Chairman Issues Directive on Land Law

BK2109062090 Hanoi Domestic Service in Vietnamese 1100 GMT 19 Sep 90

[Text] On 14 September, the Council of Ministers chairman issued a directive on the need to recapitulate the results of implementing the law on land, aiming at better implementing the law in the future.

The purposes of the recapitulation are to assess the situation and results of implementing the law on land over the recent past, point out achievements and failures, determine the causes of and reponsibility for failures, and contribute views to perfecting the mechanism of state managerial control over land.

With respect to organization and implementation, the Council of Ministers chairman's directive specifies: The General Department of Land and Ricefield Management will guide the people's committees of provinces, cities, and sectors involved to summarize the results of implementing this law in localities and sectors, and assume the responsibility of compiling a summary for the entire country.

Provinces, cities and special zones will summarize the results of implementing local and sectorial laws according to the general outline of the General Department of Land and Ricefield Management. A national recapitulation conference will be held in January 1991. Localities and sectors must complete their summaries within December.

Settled Life, Farming Program Under Review

BK2309122590 Hanoi Domestic Service in Vietnamese 2300 GMT 20 Sep 90

[Text] According to a Voice of Vietnam correspondent, from 18 to 20 September in Hanoi, the Central Committee for Settled Life and Settled Farming, Ministry of Forestry, organized a workshop for cadres in charge of the settled life and settled farming program throughout the country. Attending the workshop were bureau and section chiefs from a number of provinces and 90 mountain districts.

The Central Committee for Settled Life and Settled Farming proposed four new solutions to difficulties the various localities face under the settled life and settled farming program by attaching primary importance to efforts to renovate planning work at the grass-roots level.

The delegates unanimously agreed that in order to guarantee conditions for the settled life and settled farming program to score comprehensive results, it is of significance to work out well-defined investment plans and to closely link investment projects with the socioeconomic development objectives of each targeted area as well as of the entire region.

The participants analyzed the difficulties facing the localities in the management of allocated funds and requested the sectors and ministries concerned to promptly provide guidance over the implementation of Decision 72 of the Council of Ministers.